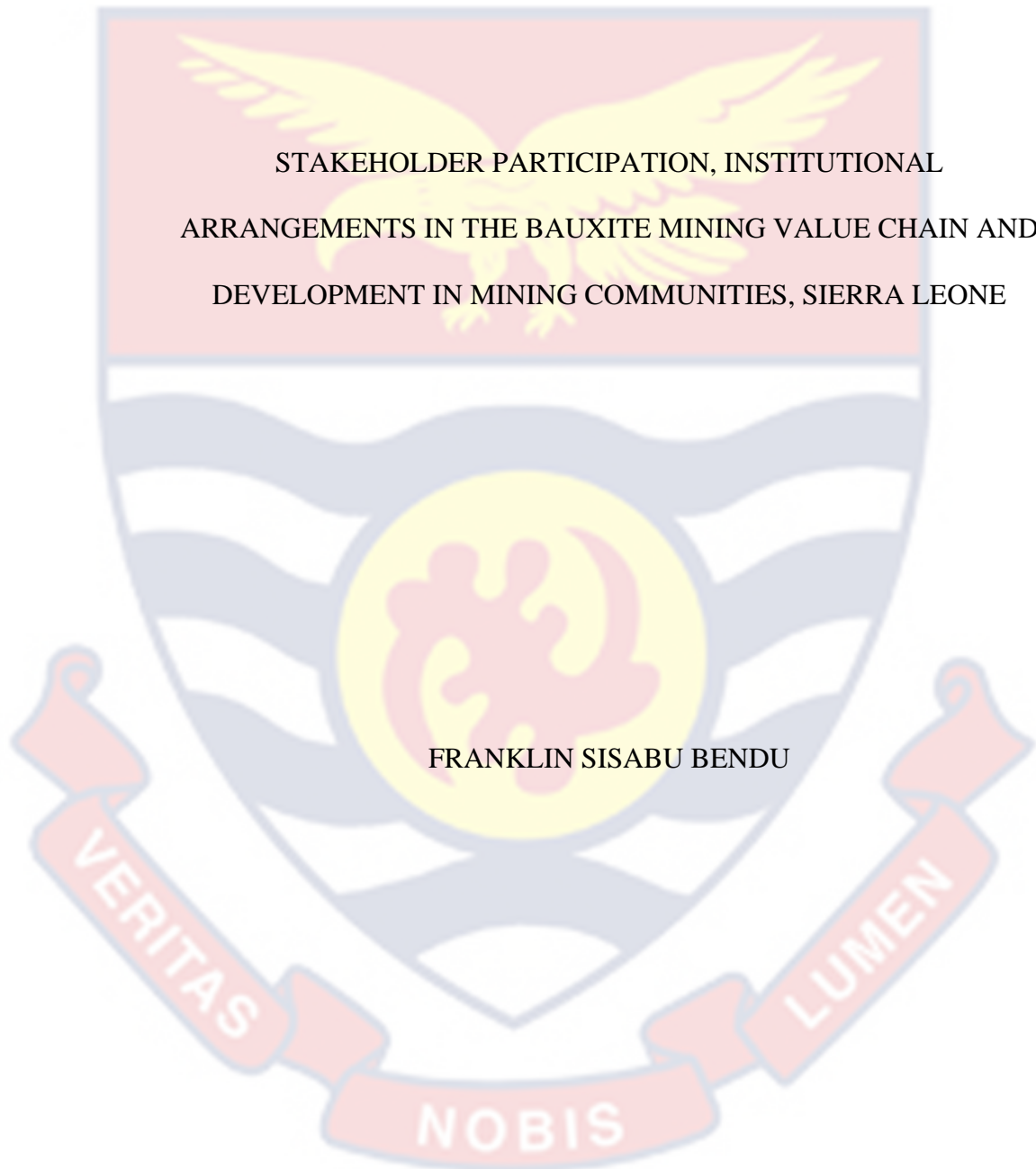


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STAKEHOLDER PARTICIPATION, INSTITUTIONAL  
ARRANGEMENTS IN THE BAUXITE MINING VALUE CHAIN AND  
DEVELOPMENT IN MINING COMMUNITIES, SIERRA LEONE

BY  
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This thesis submitted to the Department of Integrated Development Studies of the  
School for Development Studies, College of Humanities and Legal Studies,  
University of Cape Coast, in partial fulfilment of the requirements for the  
award of Doctor of Philosophy Degree in Development Studies

NOVEMBER 2023

## DECLARATION

### Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature.....Date.....

Name: .....

### Supervisors' Declaration

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

Principal Supervisor's Signature.....Date.....

Name: .....

Co-Supervisor's Signature.....Date.....

Name: .....

Co-Supervisor's Signature.....Date.....

Name: .....

## ABSTRACT

Mineral-rich developing countries have been unable to translate their resource wealth into successful development. This study, therefore, considered stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone. The qualitative research approach was deployed in the study and case study constituted the study design. Key informants from government institutions, academia, private sector, development partners, civil society organisations and constituents in primary host communities participated in the study. Interview, focus group discussion and documentary review guides and observation checklist were utilised in the collection of data. Qualitative data analysis entailed the use of thematic analysis to analyse the set of transcribed interviews and focus group discussions. The study found that stakeholders along the bauxite mining value chain are classified into four main groups – low interest and low influence; low interest and high influence; high interest and low influence and high interest and high influence. Institutional structures throughout the bauxite mining value chain were found to have been negatively impacted by political involvement. Community development committees were shown to increase stakeholder involvement in decision making and aid in effective development at the local level. The study concluded that excessive political influence permeates the bauxite mining sector. It is recommended that there is the need to reduce the dysfunctional nature of inter-institutional coordination and to operationalise the Transformational Development Stabilisation Fund and Inter-Generational Savings Fund in order to allocate funds for development projects.

**KEY WORDS**

Arrangements

Bauxite

Development

Institutional

Institutional

Mining

Sierra Leone

Stakeholders





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**DEDICATION**

To my late father, Franklin George Abu Bendu and my late mother, Kadiatu

Massaquoi





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**LIST OF ABBREVIATIONS**

AfDB	African Development Bank
APC	All Peoples' Congress
BSL	Bank of Sierra Leone
CBOs	Community Based Organisations
CDA	Community Development Agreement
CDC	Community Development Committee
CRF	Consolidated Revenue Fund
CSOs	Civil Society Organisations
DACDF	Diamond Area Community Development Fund
DPs	Development Partners
DRC	Democratic Republic of Congo
EIRA	Extractive Industries Revenue Act
EIVC	Extractive Industries Value Chain
EPA	Environmental Protection Agency
FGDs	Focus Group Discussions
GHEITI	Ghana Extractive Industries Transparency Initiative
GoSL	Government of Sierra Leone
IIED	International Institute for Environment and Development
IMF	International Monetary Fund
LDCs	Least Developing Countries
MAB	Mineral Advisory Board
MAF	Ministry of Agriculture and Forestry
MNCs	Multinational Corporations

MDC	Moyamba District Council
MDF	Minerals Development Fund
MMA	Mines and Minerals Act
MMMR	Ministry of Mines and Mineral Resources
MoF	Ministry of Finance
MoFEP	Ministry of Finance and Economic Planning
MoPED	Ministry of Planning and Economic Development
NDMC	National Diamond Mining Company
NMA	National Mineral Agency
NRA	National Revenue Authority
NRGI	Natural Resource Governance Institute
OASL	Office of the Administrator of Stool Lands
OECD	Organisation for Economic Cooperation and Development
PHCs	Primary Host Communities
PHUs	Primary Health Units
RCT	Resource Curse Theory
RUF	Revolutionary United Front
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SIEROMCO	Sierra Leone Ore and Metal Company
SLEITI	Sierra Leone Extractive Industries Transparency Initiative
SLPP	Sierra Leone Peoples' Party
SMHL	Sierra Minerals Holdings 1 Limited

SRI Stanford Research Institute

SSL Statistics Sierra Leone

TLs Traditional Leaders

UN United Nations

UNDHR United Nations Declaration of Human Rights

UNDP United Nations Development Programme





## CHAPTER ONE

### INTRODUCTION

Development outcomes from mineral extraction in many mineral-rich developing countries are not realised due to a lack of stakeholder participation and effective institutional arrangements along the mining value chain (Barma, Kaiser, Li & Viñuela, 2012). Development results in the areas of infrastructure, health, education, clean water, and sanitation have been affected (Gajigo, Mutambatsere, & Ndiaye, 2012; Pedro, Ayuk, Bodouroglu, Milligan, Ekins, & Oberle, 2017). Therefore, a governance framework must be in place throughout the mining value chain, with effective stakeholder involvement and institutional frameworks (Ayuk, Pedro, & Ekins, 2019). Consequently, strong governance is crucial in assisting mineral-rich developing nations in converting the revenues they get from their natural resources into positive developmental results.

The discovery of diamonds and iron ore in the 1930s sparked the beginning of widespread resource mining in Sierra Leone. In addition to rutile, bauxite, gold, zirconium, and magnesium, the land is rich in other minerals (Reno, 1995; Wilson, 2015). Bauxite extraction in Moyamba District started in 1963 and has significantly contributed to mineral revenue, merchandise exports and balance of payments (Bank of Sierra Leone [BSL], 2018; Cleeve, 1997). However, studies (Maconachie, 2008; M'cleod, 2012) on stakeholder participation, institutional arrangements in the mining sector and development outcomes in mining communities have generally focused on diamonds and iron ore, to the neglect of the other large-scale mining operations like bauxite and rutile extraction. This deficit in knowledge is the inspiration for this research.



## Background to the Study

Freeman (1984) defines a stakeholder as any group or individual who can influence or is influenced by the achievement of the organisation's goals. Similarly, Bryson (2004) argues that a stakeholder is also seen as any individual or group that can place a claim on an organisation's objectives, while Freeman, Wicks and Parmar (2004) assert that stakeholders are those individuals or groups who are vital to the survival and success of the organisation. Explaining further, Freeman *et al.* (2004) indicate that stakeholders are diverse and could range from the owners, employees, customers, investors, government and local communities. In the same vein, O'Riordan and Fairbrass (2014) acknowledge that stakeholders are individuals or groups whose actions affect and are affected by the activities of a firm. This presumes that stakeholders participate in various ways in order to achieve the goals of the firm.

According to Arnstein (1969), the concept of participation originated due to the failure of the have-nots involvement in development projects that affected them. Arnstein explains that participation ensures the reallocation of power that empowers the have-not citizens, who are not part of the political and economic processes, to be deliberately included in the future. Hataya (2007) also posits that participation enables citizens to be part of the planning and implementation processes, and in the view of Tabales and Muñoz-Yules (2017), participation facilitates acceptance of and collaboration with the subsequently applied measures. It can, therefore, be presumed that stakeholder participation brings about the inclusion of all citizens in decision-making, builds consensus and buy-in, and results in policy acceptance.

Stakeholder participation, therefore, entails the process of cohesiveness within a community that leads to change and overcoming problems (Jeffery, 2009). Horangic, Berry, and Wall (2016) agree with Dong and Olsen (2015) that stakeholder participation is a crucial norm of effective governance because it ensures stakeholder buy-in, legitimacy, and the successful negotiation and implementation of decisions. This assumes that all stakeholders' different interests and intentions are brought about and that all important opinions are represented in the decision-making process thanks to stakeholder engagement. Stakeholder involvement, as it relates to this research, refers to the mechanisms through which all interest groups along the bauxite mining value chain engage via the institutional frameworks to administer and regulate the industry.

Institutional arrangements are defined by Eaton, Meijerink, and Bijman (2008) as a set of rules, norms, or agreements governing the activities of a specific group of people pursuing a specific objective.. Similarly, the United Nations Development Programme (2009) explains institutional arrangements as the policies, practices and systems that allow for effective performance of an organisation or group. In earlier studies, Dietz, Ostrom and Stern (2003) and Ostrom (2005) indicate that institutional arrangements are crucial in influencing change and development of natural resource management. It can, therefore, be presumed that institutional arrangements in the mineral sector tend to be a combination of policies, procedures and practices that a mineral-rich developing country must have to transform resource rents into development.

The International Institute for Environment and Development [IIED] (2002) describes development from the mineral sector to include broad-based economic growth, poverty reduction, human capital development,

infrastructure, increase in domestic revenue and employment opportunities. In the view of Boadway and Keen (2010) and Ndikumana and Abderrahim (2011), development from the mineral sector increases in economic growth and domestic revenue. Specifically, Mondoloka (2021) explains that the multidimensional nature of mining's social, economic, environmental and other impacts include providing health, education, energy and water and sanitation facilities, employment creation, reducing the infrastructure deficit and safeguarding human rights and the environment. This presupposes that mineral extraction has economic, social and environmental impacts.

According to Alba (2009), the extractive industries value chain approach is a concerted effort to help resource-rich developing countries deal with the difficulties of extracting those resources and to recommend workable policy interventions to convert the potential of those minerals into positive, long-term effects on development. The awarding of contracts and licences, regulation and monitoring of operations, collection of taxes and royalties, revenue management and allocation, and the implementation of projects and policies are all examples of key decision points that Alba identifies as part of the extractive industries value chain (EIVC). The extractive industries value chain offers resource-rich developing nations a governance framework within which to create policy interventions to convert mineral riches into equitable development (Desai & Jarvis, 2012; Cameron & Stanley, 2017).

The resource curse argument suggests that mining operations in poor nations have a negative impact on economic growth. Auty (1993) and Di John (2011) argue that the basic tenet of the resource curse hypothesis is that mineral-abundant developing countries like Democratic Republic of Congo (DRC),

Zambia, Sierra Leone and Nigeria tend to have lower standards of economic growth and good governance than countries that do not have such resources. Thus, an increase in poverty, decrease in economic growth, hindrance to democracy and an outbreak of civil conflicts have been observable features in developing countries possessing mineral resources (Badeeb, Lean & Clark, 2017; Rosser, 2006). In the view of Ayuk, Pedro and Ekins (2020), the absence of good governance in the mineral sector appears to have contributed to the undesirable development outcomes in mineral-rich developing countries.

As a result of the poor development from mineral extraction in resource-rich developing countries, scholarly literature has emerged advocating for establishing institutional arrangements as suggested by the institutional theory (Mavrotas, Murshed & Torres, 2011). The focal argument of the institutional theory, according to Scott (2014), is that organisations exist and function in an environment governed by rules and processes that are considered appropriate and acceptable organisational practices and behaviours. Thus, institutional arrangements are devised to address the different priorities of the various stakeholders in the mineral sector (Barma *et al.*, 2012). In the view of Ayuk *et al.* (2020), effective institutional arrangements have reverberating consequences for translating mineral wealth into more inclusive forms of development.

Burmaa and Bassanjav (2021) assert that when the institutional arrangements are inadequate in the mineral sector, it results in an agency problem, as implied by the agency theory. According to Eisenhardt (1989), the agency theory hypothesises two problems can occur in agency relationships. First, the goals of the principal and agent conflict, and it is costly for the



principal to validate the actions of the agent. Secondly, the principal and the agent have different attitudes to risk because of their different risk preferences (Fama & Jensen, 1983). Feldman and Montgomery (2015) argue that the host country should establish good governance to regulate the MNCs in the mineral sector where there is extensive involvement of multinational corporations (MNCs). Earlier, Kyereboah-Coleman (2007) opined that when a firm is controlled by an agent rather than the owner, the owner's goals are likely to be diluted rather than ideally achieved.

When there are challenges in the achievement of development outcomes from mineral extraction, it is normally ascribed to the failure of government to accommodate divergent views and interests of other stakeholders as suggested by the stakeholder theory (Donaldson & Preston, 1995). The stakeholder theory states that for an organisation to be successful, it has to incorporate the interests of all stakeholders who are critical to the organisation's survival (Freeman, 1984). Therefore, effective stakeholder participation provides an opportunity to account for issues from diverse interests, obtain consensus, and ensure the implementation of policies (Tantalo & Priem, 2016). McPhail (2017) emphasises that effective management and regulation along the extractive industries value chain requires government institutions, mining companies and other stakeholders to work together.

Stakeholder participation and institutional arrangements in bauxite mining and their effect on development outcomes raise philosophical issues of social justice, intergenerational justice, social welfare and human rights. Redistribution of wealth as the foundation for eliminating poverty is important to social justice, argues Jackson (2005). Olson, Reid, Threadgill-Gioldson,

Riffe, & Ryan (2013) agree, defining social justice as the fair and equitable distribution of society's material resources. In the view of the National Association of Social Workers (2017), social justice focuses on pursuing social change, primarily on poverty and other forms of social injustice. For this reason, citizens have the right to enjoy the socio-economic benefits from bauxite extraction and ensure the same for future generations.

In the view of Sen (1980), the core concern of intergenerational justice is the broad idea of the requisite framework for society to prosper. Sen indicates that just institutions, a good health system, and a functioning ecosystem are necessary for ensuring that the present generation lives healthy and fulfilling lives. In the same vein, Thompson (2009) elucidates that it is incumbent on the current generation to bequeath an environment to the future generation that will ensure satisfaction of their needs and opportunities to enjoy things of value. Based on this perspective, the indigenes within a country, particularly the local community, have the right to improve their welfare from mineral extraction.

Chan and Lap-Yan (2000) posit that the fundamental tenet of social welfare is the capacity of an institution to meet human needs by promoting social development and pursuing common well-being within a society. Supporting this view, O'Neill, Woods, and Webster (2005) argue that social justice is about individuals' entitlement to society's social and economic benefits, while Rawls (2005) elaborates that social justice is also about the equitable distribution of power, resources, and opportunities within a society. This indicates that citizens of a mineral-rich country, represented by their government, have a right to enjoy the social and economic benefits of mineral extraction.



Central to Rawls's theory of justice is the focus on institutions, which North (1990) defines as the rules of the game that organise interactions in the political, economic and social spheres of society. Institutional theory suggests that organisations exist and function in an environment dominated by rules and norms (Scott, 1987). As a result, institutional theory argues that organisations change their institutional practices in response to the social, political and economic systems in which they function and gain legitimacy (Scott, 2004). Relatedly, Tordo (2007) argues that mining companies operate under legal provisions regulated by the government through various institutions in order to ensure the host governments get a fair share of the resource rent generated, and thus, act as a conduit for the achievement of development outcomes such as construction of good roads, health and education facilities.

The United Nations (2015) asserts that all people are endowed with civil, political, economic, social, and cultural rights. Human rights, according to Kirchshlaerger (2014), are universal and inalienable principles that apply to all individuals, everywhere, at all times, regardless of skin colour or national origin. According to the United Nations (2015), governments have a duty to supply some basic requirements that are seen as vital to a life of self-respect. This is because the overall objective of human rights is the protection of the inherent dignity of the human person. Chikowa and Chilunjika (2021) argue from this vantage point that governments and mining firms should be obligated to give certain social amenities like schools and health facilities to the local populations where minerals are produced.

IIED (2002) asserts that many advanced countries like the United States of America and Australia used their mineral endowment as a springboard for

sustainable broad-based growth and development. Cust (2017) further argues that nations like Norway, Chile, and Botswana have benefited economically from mineral mining. Further, Cust indicates that the substantial revenue provided by mineral extraction enabled these countries to close their infrastructure gap, establish sovereign wealth funds and invest in human capital development. In addition, the United Nations (2021) articulates that the mineral sector has driven growth and supported sustainable development and poverty reduction in developing countries like Chile and Peru. This presupposes that mineral endowment, when harnessed and managed effectively, can achieve successful development.

Larsen (2004) claims that deliberate macroeconomic policy and effective institutional arrangements contributed to Norway escaping the resource curse. Further, Larson (2004) indicates that revenue from mineral extraction was used to invest in human capital and establish a sovereign wealth fund. Similarly, Connolly and Orsmond (2011) suggest that a stronger institutional framework enabled Australia to translate mineral extraction into stable macroeconomic performance during boom periods. Cleary (2016) claims that Norway and Australia have enjoyed sustained economic growth from intensive mineral extraction due to strong institutional capacity. In addition, Norway and Australia have been among the top 10 countries in the United Nations Human Development Index for the past three decades.

Mehlum, Moone and Torvik (2006) argue that the quality of institutions determines whether resource-endowed countries are able to avoid the resource curse. They showed that countries that have established good institutions could take full advantage of their resource endowment and achieve growth and

development indicators like high growth, high employment and poverty reduction. Similarly, Boschini, Pettersson and Roine (2007) argue that natural resource endowment has benefited countries like Botswana, Chile and Norway, where stakeholder participation has been transparent and where there are clear institutional mandates among institutions managing and regulating the mineral sector.

Humphreys, Sachs and Stiglitz (2007) point out that mineral extraction has been a powerful tool for economic growth and the wealth generated has been used by host governments to promote broader-based development in infrastructure, human capital development and poverty reduction. Similarly, the United Nations Conference on Trade and Development [UNCTAD] (2007) and Dubiński (2013) report that many of the world's advanced countries have utilised their mineral endowments to achieve industrialisation. Accordingly, Ayuk *et al.* (2020) contend that the key to successfully translating mineral extraction into development outcomes is a holistic governance framework along the value chain that will ensure effective stakeholder participation and establishment of institutional arrangement.

According to McPhail (2008), good mineral legislation, improved macroeconomic management and the establishment of good institutions enabled some mineral rich countries like Chile to avoid the resource curse and achieved economic growth and reduced poverty. Havro and Santiso (2008) assert that mineral extraction has been a blessing to Chile as a result of the institutional arrangements in place. In a similar vein, Schmidt-Hebbel (2012) states that mineral extraction has contributed to gains in poverty reduction, economic growth and improvement in infrastructure in Chile. Korinek (2015) also reports

that strong institutions in Chile facilitated stakeholder participation, coupled with strong regulatory oversights, to ensure revenue generated from extraction became the conduit for investment in human and physical capital and creating strong connections between the mineral sector and other sectors of the economy.

Daniel, Gupta, Mattina, and Segura-Ubiergo (2013) stress the need for robust fiscal institutions to foster fiscal transparency and good governance in resource-rich nations. Further, Aytaç, Mosseau, and rsün (2016) state that in resource-rich nations with solid institutional architecture, resource rent is allocated to people mostly impartially and transparently due to the presence of impartiality and respect for the rule of law.

Specifically, Ericsson and Löf (2019) show that mining has significantly contributed to the national economic development of several developing countries like Suriname and Peru, who had established strong institutions and engaged stakeholders in decision making. This was reflected in improved revenue-to-gross domestic product ratio and per capita income between 1970 and 2016. It, therefore, appears that effective institutional arrangement is critical in translating mineral endowment into development.

Some mineral-rich nations in sub-Saharan Africa are underdeveloped because of a lack of stakeholder involvement and inefficient institutional systems. In Malawi, Kamlongera (2013) and Mzembe (2014) emphasise the poor participation of civil society and mining communities in decision-making for development due to the inadequacies in the institutional arrangements in the mineral sector. Doro and Kufakurinani (2017) and Murombo (2021) note that Zimbabwe has been unable to translate resource endowment into development due to ineffective institutional arrangements governing the mineral sector.



Malinga (2018) also intimates that proper management of the mineral resources in Zimbabwe can support development only if stakeholder participation is transparent and accountable. In Zambia, Phiri, Mantzari and Gleadle (2018) argue that stark power asymmetries between the state, mining companies and civil society in the mineral sector have limited stakeholder participation which is critical for the achievement of inclusive development. According to Mzembe (2014), in Malawi, stakeholder participation in the mineral sector is only a catchphrase and that the multinational corporations ensure mining communities have little control over decisions that affect them. In the light of these, stakeholder participation is not guaranteed and mining companies use their economic power to ensure elite capture of policy makers in the mineral sector.

Since the 1930s, mineral mining has played a significant role in the economy of Sierra Leone (Boakye, Dessus, Foday, & Oppong, 2012). Large-scale diamond production, large-scale bulk mineral production (such as rutile and bauxite), and artisanal and small-scale production of diamonds (and, to a much lesser degree, gold) make up the mining industry of Sierra Leone, as described by Kargbo (2012). Foreign-owned mining corporations have begun large-scale mining operations in Sierra Leone, as in other mineral-rich nations in sub-Saharan Africa, bringing much-needed finance and technical experience. These MNCs wield significant market influence, have a vested interest in profit, and utilise their economic clout to suppress stakeholder voices in policymaking (M'cleod, 2012; Batty, 2013).

In Moyamba District, bauxite was first explored in 1958 by Sierra Leone Ore and Metal Company (SIEROMCO), a fully owned subsidiary of Alusuisse

in Switzerland (Cleeve, 1997), and mining began in 1963. Bauxite mining brings in most of its money through payroll taxes, royalties, and lease payments. Like all other revenue sources, income tax and royalties are deposited into the Consolidated Revenue Fund, which is used to finance the government's development activities.

In 1969, the All Peoples' Congress (APC) party formulated a policy to nationalise the mineral sector. However, according to Cartwright (1978), the bauxite sub-sector was not nationalised as the government lacked the technical and administrative capacity to manage the mining operation. In an earlier study, the World Bank (1976) pointed out that this was the main reason the APC government negotiated bilateral mineral agreements with SIEROMCO in 1972, 1974 and 1976. According to Keili (2014), these mineral agreements were characterised by the generous fiscal concessions and adversely impacted on the revenue paid to the government. Keili also noted that SIEROMCO bribed key policymakers to ensure the bauxite mining sub-sector was not nationalised.

In the 1970s and 1980s, bauxite extraction contributed over 50 percent of mineral revenue and over 40 percent of merchandise exports to Sierra Leone. Reno (1996) revealed that in 1987, the bauxite mineral agreement in 1976 was re-negotiated, giving the government better prospects for mineral revenue. In 1995, the Revolutionary United Front (RUF) rebels attacked the mine site and destroyed mining equipment, leading to the closure of operations (Keen, 2005). Production resumed in 2006 under the ownership of Sierra Rutile Limited, a subsidiary of Titanium Resource Group in the United States of America. Since the resumption of operations in 2006, on average, bauxite exports accounted for



15 percent of merchandise exports and six percent of mineral revenue between 2005 and 2021 (Ministry of Finance, 2022).

Government ministries, departments, and agencies (MDAs), parliament, local governments, Development Partners (DPs), Sierra Minerals Holding-1 Limited (SMHL), trade unions, civil society organisations, media, academia, and local stakeholders are all responsible for overseeing and regulating the bauxite mining sub-sector. In Sierra Leone, the National Mineral Agency and the Ministry of Mines and Mineral Resources (MMMMR) work together to create strategies for the exploration, mining, and processing of the country's mineral resources. Collection and administration of mineral income from bauxite mining falls within the purview of the Ministry of Finance, the National Revenue Authority (NRA), and the Bank of Sierra Leone (BSL).

Other key central government institutions are the Environmental Protection Agency (EPA) which is responsible for enforcing compliance with environmental laws and regulations for the mineral sector. The legislature has the constitutional oversight responsibility of monitoring the mineral sector and is also responsible for enacting mineral agreements between the government and mining companies. At the local level, key stakeholders are the Moyamba District Council, traditional authorities, land-owning families and community members. The community members are those mainly affected by the bauxite mining operations.

In the post-conflict period, DPs have provided technical and financial support to strengthen governance mechanisms geared towards ensuring that the government maximises its share of the revenue generated from mineral extraction. Some of these initiatives include the Kimberly Process Certification

Scheme, the Extractive Industries Transparency Initiative (Maconachie, 2008) and the establishment of the National Mineral Agency (Keili, 2014). The DPs have also supported the negotiation of key agreements between mining companies and local communities, such as the Diamond Area Community Development Fund for the diamond sub-sector and the Community Development Agreement for the bauxite sub-sector. Furthermore, DPs have provided technical assistance in the design of key laws and regulations in the mineral sector.

The key regulations governing the bauxite mining operations are the Income Tax Act, 2000; Mines and Minerals Act, 2009; the Public Financial Management Act, 2016; the Financial Management and Control Act, 2017; the Public Financial Management Regulations, 2018; the Extractive Industries Revenue Act, 2018; the Sierra Leone Minerals Policy 2018, and the Environmental Protection Act (Amended), 2021.

### **Statement of the Problem**

In spite of the long history of bauxite mining extraction in Moyamba District, it has not contributed effectively to more inclusive forms of development. The Ministry of Basic and Senior Secondary School's (2019) annual schools census report indicated that Moyamba District had the lowest growth in enrolment in all four levels of education. The Ministry of Health and Sanitation's (2019) demographic health survey also found that Moyamba District reported high poor health indicator outcomes like child and maternal mortality compared to other districts. In another report, the Food and Agriculture Organisation (2020) indicated that Moyamba District has the highest proportion of households living in severe food insecurity (13.8 percent).

The report also noted that the district had the second highest proportion of households resorting to emergency coping strategies to survive by adopting emergency measures such as selling their lands, last female animal or begging.

The probable cause of low development outcomes associated with mineral extraction is the absence of institutional arrangements and lack of stakeholder participation, as pointed out by the resource curse theory and the stakeholder theory. Fanthorpe and Gabelle (2013) pointed out that since independence in 1961, stakeholder participation was not very common at the central and local levels. Stakeholders at the local level have little influence and control over the decisions that affect them. The lack of or minimal participation of local communities and Civil Society Organisations in formulating policies is the main reason why mineral agreements have been lopsided in favour of mining companies in Sierra Leone (Batty, 2013).

However, the consequences of less inclusive forms of development from mineral extraction can be changed by establishing effective governance mechanisms to regulate and manage the mineral sector, as suggested by the agency theory and institutional theory, respectively. Ambe-Uva (2017) claims that outdated legislation and inequitable contracts by governments have made them unable to regulate mining companies' activities. Therefore, the absence of strong institutions to regulate and manage the mineral sector has prevented mineral-rich developing countries from translating mineral wealth into broad-based economic growth and development (United Nations Economic Commission for Africa, 2017).

At the global level, several studies have been carried out on stakeholder participation, institutional arrangements and development from mineral

extraction. For example, Mondoloka (2017) and Noyoo (2021) examined the impact that mineral extraction had on the Zambian economy and concluded that the country's declining development route had not been altered as a result of the ineffective participation of local communities and civil society in decision making. In a related study, Kasimba and Lajula (2019) also focused on stakeholder participation in the mineral sector and found a lack of stakeholder participation in the management of funds for development outcomes.

Few studies have been conducted in Sierra Leone on the topic of stakeholder engagement and institutional arrangement and its consequent influence on development, with most of these research concentrating on the diamond and iron ore sub-sectors. It is clear from the available empirical research that our understanding of stakeholder involvement and institutional structure in Sierra Leone's mining industry is weak. For example, Davies and Dessy (2012) explored how institutional capacity affected the generation of mineral revenue from diamonds in post-conflict Sierra Leone. Kargbo (2012) examined the performance of the diamond sector and its impact on economic growth. M'cleod (2012) also examined the impact of iron ore production on sustainable development in Sierra Leone. Yet, the studies failed to contextualise the impact of institutional arrangements and its impact on development.

A related study about the mineral sector that came close to discussing stakeholder participation, institutional arrangements and development outcomes was by Maconachie (2008) who reported that some chiefdoms benefitting from the Diamond Area Community Development Fund (DACDF) were able to construct schools and community centres. Yet, the study failed to examine the level of stakeholder participation in the decision-making process



for development projects. Wilson (2015) also focused on the influence of mining companies on development outcomes within the mining communities but ignored the role of some important stakeholders. Hence, little is known about how stakeholder participation and institutional arrangements contribute to development outcomes.

The empirical literature establishes that there is limited information on stakeholder participation and institutional arrangements in the bauxite mining sector in Sierra Leone. The knowledge of development outcomes from mineral extraction in primary host communities is also limited. Besides, no study has been analysing the multidimensional nature of mineral's socio-economic and development bearings at a local level. For example, it is impossible to measure the proportion of bauxite mineral revenue that is utilised to finance education, health, agriculture, roads, water and sanitation within primary host communities. Hence, this research contributes to how stakeholder participation and institutional arrangements affect development outcomes at the local level. It also explores the factors that influence stakeholder participation and institutional arrangements nexuses.

### **Research Objectives**

The general objective of the study was to assess the level of stakeholder participation, institutional arrangements and development outcomes along the bauxite mining value chain in Sierra Leone. Specifically, the study:

1. Examined the dynamics of stakeholder participation in the bauxite mining sector.
2. Explored the institutional arrangement in the bauxite mining sector.



3. Analysed how stakeholder participation and institutional arrangement in the bauxite mining sector contribute to development outcomes.
4. Explored the potential for enhanced collaboration of stakeholders to facilitate development outcomes from bauxite mining.
5. Made recommendations as to how stakeholder participation and institutional arrangement can improve development outcomes from bauxite mining in Sierra Leone.

### **Research Questions**

The following research questions were explored:

1. What are the dynamics of the stakeholder participation along the bauxite mining value chain in Sierra Leone?
2. What are the factors that explain institutional arrangements in the bauxite mining sector?
3. How do stakeholder participation and institutional arrangement in the bauxite mining sector contribute to development outcomes?
4. What potentials exist for enhanced collaboration of stakeholders to facilitate development outcomes from bauxite mining?

### **Significance of the Study**

The significance of this study is to improve on the knowledge and expand the frontiers of discussions about stakeholder participation, institutional arrangement and development in the bauxite sector in Sierra Leone. The study can help enlighten both primary host communities and local councils in mineral producing areas on improving stakeholder participation and achieving successful development. Therefore, the study results provide useful information about the importance of stakeholder participation in the bauxite mining sector.

This research contributes to policy development by informing decision-makers about the policies, rules, laws, institutions, and regulations that may improve cooperation amongst government agencies in charge of managing and regulating the bauxite mining industry. The study's results will help policymakers make informed decisions that will increase mineral income from bauxite mining and transfer resource endowment into more equitable forms of development. Finally, the results strengthen the need for more research that will give information to further enhance mining sector governance while also adding to the current understanding of variables that explain stakeholder involvement, institutional arrangements, and growth in the mineral sector.

### **Delimitation**

The delimitation of the study was restricted to bauxite mining in Sierra Leone, one of the country's five large-scale mineral extraction operations. Thematically, this thesis concentrates on stakeholder participation, institutional arrangements and development outcomes along the bauxite mining value chain in Sierra Leone. The thesis specifically maps out the various stakeholders along the bauxite mining value chain and captures the dynamics of stakeholder participation in the bauxite mining sector. It also presents the institutional arrangement in the bauxite mining sector. The contribution of stakeholder participation and institutional arrangements to development outcomes are well examined. Furthermore, it focuses on the contribution of stakeholder participation and institutional arrangement in facilitating development outcomes from bauxite mining.

Geographically, this study was conducted in Freetown and Moyamba District, as it is where government institutions and other stakeholders in the

bauxite mining sector are located. Furthermore, within the Moyamba District, the study focuses on Gondama and Gbonje communities because bauxite mining has been concentrated in these two communities for over 50 years. The target population were officials of government institutions, civil society organisations, academic staff, private sector firms, officials of development partners, officials of mining companies and local stakeholders in Gondama and Gbonje. This is because the study seeks to understand stakeholder participation and institutional arrangements along the bauxite mining value chain and their impact on development outcomes. The target population provided data which enabled me to assemble answers to address the research questions.



**Figure 1: Map of Sierra Leone**

Source: Ministry of Mines and Mineral Resources

## Organisation of the Study

The thesis has been organised in eight chapters. The first chapter consists of the introduction, which encompasses the background to the study, problem statement, research objectives, research questions, the significance of the study, and the structure of the thesis. Chapter Two presents the theoretical and conceptual review. The empirical overview, lessons learnt, and conceptual framework are presented in Chapter Three. Chapter Four continues with the methodology of the study and covers the introduction, philosophical perspectives of the research, research approach, study design, profile of the study area, target population, sampling procedures, data collection, instrument design, ethical procedure, fieldwork, data processing and analysis and field challenges.

Chapter Five focuses on listing of stakeholders and factors that influence the participation of stakeholders along the bauxite mining value chain. Chapter Six centres on the factors influencing the institutional arrangements along the bauxite mining value chain. Chapter Seven concentrates on the contribution of stakeholder participation and institutional arrangements to development outcomes from bauxite mining in primary host communities. Chapter Eight, the final chapter, includes the summary, conclusions, recommendations, limitations of the study, contribution to knowledge and suggestions for further research.



## CHAPTER TWO

### THEORETICAL AND CONCEPTUAL OVERVIEW

#### Introduction

The theoretical and conceptual issues in respect of the present investigation are discussed in this section. Specifically, it focuses on resource curse theory, institutional theory, agency theory, and stakeholder theory. It also includes discussions on participation, stakeholder participation, governance, institutions, institutional arrangements, fiscal regime, and development, as well as the summary of the chapter.

Creswell (2003) posits that a review of related literature helps researchers to look into the research problem and thus offer an explanation of the existing knowledge base in the area of research. Boote and Bile (2005) note that reviewing related literature is the procedure of finding, analysing, and discussing issues in research based on existing knowledge about the phenomenon under study. Baker (2016) contends that examining related literature in the area of inquiry enables the researcher to understand the current scholarly literature and make a case for undertaking the study. While Creswell (2006) concentrates on how the research problem will be addressed, Baker (2016) is concerned about the capability of the researcher to understand the current state of knowledge.



## **Theoretical Framework and Definition of Concepts**

Abend (2008) posits that a theoretical framework provides the configuration to support the theory of a research study and elucidates the research existence of a research problem. According to Lysaght (2011), a theoretical framework is the structure that underpins the history, problem statement, goal, importance of the research, and data collecting and analysis techniques. In a similar vein, Merriam and Tisdell (2016) agree that a study's theoretical framework provides the backbone of the research. This assumes that a thorough understanding of the topic requires a thorough introduction to the theoretical underpinnings and an in-depth discussion of key ideas.

Concepts are the backbone of scholarly inquiry, as outlined by Holloway (1997), who also provides an overview of the theory's distinctive principles. Holloway elaborates by saying that the advancement of knowledge in the study domain is due to the fact that ideas make meaning and application possible. Similarly, Anfara and Mertz (2015) state that concepts aid in communicating the theory's abstract notions and highlighting the study's changeable connection. As pointed out by Ravitch and Riggan (2017), concepts help argue for a research subject and defend the approach used to conduct the study. It can, therefore, be presumed that the conceptual review is critical in identifying relevant issues in the study.

### **Theoretical Framework**

Resource curse, institutional, agency, and stakeholder theories serve as theoretical frameworks for this investigation. These theories were chosen for this research because none of the others adequately explain the relationships between stakeholder involvement, institutional structure, and development

outcomes throughout the bauxite mining value chain in Sierra Leone. To this end, the theories used herein complement one another in illuminating the dynamic character of stakeholder engagement and the institutional structures throughout the bauxite mining value chain and how these factors affect the development outcomes that emerge in key host communities in Moyamba District. Therefore, the resource curse hypothesis and its relevance to the investigation will be discussed below.

### **Resource Curse Theory**

Before the 1980s, the established view was that countries endowed with mineral resources such as oil and minerals could anchor their development on these resources and use them as springboards to achieve broad-based growth and development (IIED, 2002). According to Rosser (2006), this view held sway in the post-World War II period, with many economists arguing that resource-rich developing countries can use their natural resources to make the evolution from under-development to industrialization, just as it had done for advanced countries like the United Kingdom, United States of America, Canada, and Norway. However, since the late 1980s, a sizable scholarship has thus emerged challenging the conventional belief that mineral resource endowment is a blessing for mineral-rich developing countries (Badeeb *et al.*, 2017).

The resource curse theory has been one of the prominent theories in political and economic sciences over the last four decades. The core argument of the resource curse theory (RCT) is that the extraction of minerals in Less Developed Countries (LDCs) tends to produce negative development outcomes, including decreased economic growth, increased poverty and inequality, low

human capital development, ineffective governance and outbreak of civil conflicts (Di John, 2011). The RCT traces its roots to the rentier work of Mahdavy (1970), who argues that the agriculture and service sectors did not thrive from oil extraction in Iran in the 1950s and 1960s despite the substantial rent from mineral extraction.

Yet it was Auty (1993) first used the phrase resource curse to describe the consequences a nation rich in natural resources may face. In contrast to nations with fewer resources, those with abundant mineral reserves tend to have lower standards of living and less effective government, as shown by Auty's (1993) hypothesis. Sachs and Warner (1995) argue that between 1971 and 1989, resource-rich emerging nations with a high ratio of natural resource exports to GDP tended to have low growth rates. Gylfason (2011), Gylfason and Zoega (2006), Sala-i-Martin and Subramanian (2003), and van der Ploeg (2011), among others, also showed that an abundance of mineral resources was inversely associated with economic growth.

Ross (2001) explains that the RCT also assumes that the substantial resource rent generated from mineral extraction impedes democratisation through rentier, repression, and modernisation effects. Explaining further, Ross asserts that the rentier effect is the method through which governments use the high resource rent from mineral extraction to reduce tax rates on citizens and promote patronage to mitigate accountability. Through the repression effect, the revenue from mineral extraction allows governments to build up their security forces and suppress the opposition to ward off democratic pressures. The modernisation effect holds that economic growth propelled by mineral exports does not generate social and cultural changes like improving education

completion rate and occupational specialisation. Ross concluded that if economic growth does not produce these changes, democracy will be impeded.

Finally, the RCT posits that mining causes or exacerbates societal instability and potential for conflict. For instance, Collier and Hoeffler (1998, 2005) contend that an abundance of natural resources is a key component in explaining the emergence of civil wars. Similar research was undertaken by Reynal-Querol (2002) and Ross (2004), who both conclude that the availability of natural resources is a primary explanation for the incidence of conflict. Fearon (2004) argues that nations wealthy in mineral resources like diamonds are more likely to suffer lengthier civil wars, whereas Ballantine (2003) explains that natural resources helped to prolong civil conflicts in a selection of resource-rich emerging countries.

The resource curse theory has not gone uncontested and has been criticized by several writers. For instance, Lederman and Maloney (2006) and Bruinschweiler (2008) pointed out that the theory has a deficiency in relation to the different measurements of mineral resource abundance. These critics argue that as a result of different measurements, results have not demonstrated a clear support for the resource curse phenomenon. Rosser (2006) also criticised the linkage of the outbreak of civil conflicts to the extraction of mineral resources. Rosser notes that this relationship seems to depend upon using a particular civil conflict database. Alexeev and Conrad (2013) criticised the theory because of the time series used for the resource curse analysis. They argued that the bulk of the literature started around 1965 into 1970 and that this timeline is problematic for the analysis, as mineral extraction started 15 years earlier.



Regardless of these criticisms, the resource curse theory has been utilised in several social and economic fields. Gylfasson (2001) uses the resource curse theory to predict that when resource rich developing countries start relying on revenue from extraction, the government tends to forget about the need to invest in human capital development that can support other sectors when revenue from extraction dries up. Similarly, Badeeb *et al.* (2017) indicated that economists used the resource curse theory to predict that when revenue from mineral extraction is high, governments become reluctant to transition to multipartyism, investing in strengthening institutional capacity.

The resource curse theory in many fields suggests it can be adopted in stakeholder participation and institutional arrangements studies. The idea, however, ignored the significance of institutional theory that regulates mineral extraction and guarantees the accomplishment of development aims. Institutional theory provides insight into the value of both formal and informal institutions. This motivates the following discussion of institutional theory and its function in understanding institutional structures in the mining value chain.

### **Institutional Theory**

Weber (1930) and Selznick (1949, 1957) are considered the founding fathers of institutional theory since they proposed that the role of institutions is to instill value in the behaviours of enterprises. Selznick argues that the company progressively takes on the structure of the society in which it operates, as predicted by the institutional theory. Institutions, according to the institutional theory's central assumption (DiMaggio & Powell, 1983; Meyer & Rowan, 1977), exist and operate in a context governed by rules, laws, and norms that are suitable and legitimise their existence. Selznick (1957) noted that, in



order for an organisation to function effectively, leadership is central in establishing and maintaining institutional values. Explaining further, Selznick indicates that leaders are key in infusing values and transforming an organisation into one that is durable and purposed-based.

However, North (1990) and Scott (1995) believe that institutions have subtle but pervasive effect on the thoughts, feelings, and deeds of social actors and that the institutional environment is not uniform. Pillay and Dorasamy (2010) state that the core argument of the institutional theory is that legitimised institutional arrangements or processes reflect a pattern of cultural factors. Jan, Lu, and Chou (2012) provide a similar explanation for how social institutions like norms, conventions, and routines impact the activities of enterprises and become de facto standard operating procedures. This presupposes that mining companies in a country adhere to and respect the rules governing their business.

According to North (1991), formal and informal institutions are two types of social controls that society creates to manage the flow of money, power, and information in society. The formal institutions of a nation are its legal and political structures and its regulatory procedures. For instance, government agencies are tasked with overseeing the minerals industry (Barma et al., 2012). A culture in which rules and values are deeply ingrained is what we mean when discussing informal institutions. It is common practice, for instance, for local officials to pour a libation before the start of mining activities in a community. Ayuk *et al.* 2020 assert that in mineral sector governance, strengthening institutions has been at the centre stage of policy to improve development outcomes in mineral-rich developing countries.

The institutional theory emphasises that firms must conform to societal demands and that state institutions have the instruments to enforce laws and regulations to manage and regulate activities such as mining. Therefore, the institutional theory offers the theoretical grounding for the investigation of institutional arrangements amongst the different institutions in the bauxite mining sector in Sierra Leone. Maconachie (2009) said institutional participation enhanced transparency in managing the Diamond Area Community Development Fund (DACDF) in Sierra Leone. Other researchers such as Davies and Dessy (2012), M'cleod (2012) and Fanthorpe and Gabelle (2013) also agree that government institutions have an important role to play in promoting stakeholder participation and effective institutional arrangements in the mineral sector in Sierra Leone.

Like any other theory, the institutional theory has been subjected to criticism. For instance, Peters (2000) pointed out that the theory assumes that institutions are inherently static and cannot address strategic behaviour, which sharply contrasts with the dynamic world of politics. Suddaby (2011) argued that institutional theory could not provide a universal explanation for organisational outcomes, and as such, not all organisational activities can be explained through the institution. In furtherance of the criticisms, Mohamed (2017) asserted that the theory is plagued with several conceptual ambiguities for key concepts such as institutions and institutionalisms. The institutional theory also failed to acknowledge the problems that occur when the goals of cooperating parties are divergent. The relevance of understanding the relationship between cooperating parties can be found in the agency theory.

## Agency Theory

The agency theory's disciplinary origins can be traced to seminal articles by Adams Smith and later popularised by Adolf Berle and Gardiner Means (Mahoney, 2005). Several ways to deal with the costs of such a connection have emerged in response to the agency dilemma, which Berle and Means (1932) argue highlights the competing interests of various parties. One person, the principle, contracts with another party, the agent, to provide a function on behalf of the principal, as described by Jensen and Meckling (1976). In this agreement, the principal gives the agent authority to make certain decisions. The primary argument of the agency theory is that because ownership and management are kept separate in most businesses, it is crucial to set up a governance architecture to safeguard the interests of the owners and the business itself.

Mahoney (2005) asserts that the articles by Smith (1776) and Berle and Means (1932) provided the groundwork for the application of agency theory in the field of economics (Spence & Zeckhause, 1971), accounting (Demski & Feltham, 1978), and organization behaviour (Eisenhardt, 1989). Mitchell and Meacham (2011) suggest that the theory attempts to explain the opportunistic behaviour of agents when their interest conflicts with that of the principal, especially in situations where the principal is unable to determine the agent's actual skills and work capacity.

The agency theory can be analysed from a number of behavioural assumptions. Williamson (1985) notes that self-interest drives the agent to behave in an opportunistic and fraudulent manner contrary to what is expected from the principal. Williamson contends that the agent will always act in their best interest instead of focusing on the principal's interest and, in the process,

weaken the affiliation between the principal and the agent. Carney, Gedajlovic and Sur (2011) support the view that when given the opportunity, agents will act in self-seeking ways that may be contrary to the principal's best interest. In similar studies, other researchers such as Anderson, Campbell and Becker (2014) and Shah (2014) also posit that self-interest motivates the agent to divert from the principal's interest and instead focus on putting their goals above that of the principal.

Another assumption is that there is goal conflict and informational asymmetries between the principal and the agent (Moe, 1984). This assumption can be interpreted as a situation where the desire of the agent and the principal about the objectives of the organization are not synchronized. Milgrom and Roberts (1992) expand this view by positing that the agent's self-interest tendency drives the existence of goal conflict. However, Robbins and Judge (2017) maintain that reducing the tension between owners and agents minimises goal conflict and results in a friendly working environment.

A related assumption to goal conflict is asymmetric information, when one party is better informed than the other (Barney & Hesterly, 1996). According to Waterman and Meier (1998), information asymmetry often has a deleterious impact on agency relationships, as the agent is assumed to possess more information about the operation of the organisation than the principal. This is one of the key features of the mineral sector, where mining companies are assumed to have in their possession more geological and financial data about mineral deposits than the host government (International Monetary Fund, 2012).



The theory also assumes that agents are more risk-averse while principals are more risk-neutral. In this respect, Wiseman, Cuevas-Rodriguez, Gomez-Meija (2012) and Foss and Stea (2014) assert that principals can diversify their financial investments, while agents, on the other hand are seen as risk averse and concerned about maximising their private benefits. Panda and Leepsa (2017) also elucidate that both the principal and agent have opposite risk preferences, and their problem in risk-sharing creates the agency conflict. This presupposes that the agency theory seeks to explain the characteristics of time inconsistency in the mineral sector, where mining companies are highly sensitive to investing huge amounts of capital for fear of change in the political environment or fiscal regime.

The agency theory has been applied in several social fields. For example, Mason and Slack (2005) apply the agency theory to sports organisations and conclude that the agent's tendency to act opportunistically will be reduced when monitoring mechanisms are implemented. Mahaney and Lederer (2015) add that the agency theory offers a possible explanation for project success and failure. Mahaney and Lederer further indicate that establishing governance mechanisms to monitor agents' behaviour enables project objectives to be achieved.

In corporate governance, the principal, a government agency, contracts an agent to deliver services on behalf of the principal (Daily, Dalton & Cannella, 2003). In the mineral sector, the agency theory focuses on the contractual relationship between two parties, the government as the principal and the mining company as the agent (Abdullah & Valentine, 2009). It can, therefore, be presumed that the application of the agency theory in diverse fields of study



suggests that it is dynamic and can be adopted for this study as it will facilitate the explanation of stakeholder participation and institutional arrangements in the mineral sector.

However, the agency idea has been criticised on several fronts. According to Perrow (1986), the theory looked at the agent's perspective and ignored the possibility that the issues may also arise from the principal. There is a pessimistic view of human motivation and moral action, according to Fehr and Falk (2002). However, the idea also ignored the importance of other stakeholders in a company's success (Henry, 2005). The agency theory has been called out by scholars, including Carney, Gedajlovic, and Sur (2011), for being too limited and failing to account for the presence and effect of other stakeholders. With stakeholder theory, you can see how everyone involved has a vested interest in a situation. The following part explains why this is true, and how stakeholder theory may help make decisions that take everyone's needs into consideration.

### **Stakeholder Theory**

The central tenet of the stakeholder theory is that in order for an organisation to be successful, it must take on board the diverse interests of the different group of stakeholders (Pesqueuz & Damak-Ayadi, 2005). The stakeholder theory can be traced back to the work of Dodd (1932). Dodd posited that a good entrepreneur who manages an organization will take into account the interests of owners, employees, customers and the general public. However, the theory did not attract great interest in the literature until the seminal articles of Edward Freeman in 1984 and Thomas Donaldson and Lee Preston in 1995 (Agle, 2008; Chrisman & Spence, 2011).

According to Freeman (1984), a company's success depends on its ability to satisfy various stakeholders, including customers, governments, suppliers, workers, citizens, and owners. According to Freeman, most organisations care about and are responsible to various people. In the mineral industry, for instance, the mining business will collaborate with several parties involved in the mining value chain (IIED, 2002). Each stakeholder is crucial to a business's continued existence and growth, as both Bridoux and Stroellhurst (2014) concur. Similarly, Bridoux and Stroellhurst consider stakeholders vital, stressing the need to understand how various groups' priorities may be reconciled to help an organisation reach its goal with minimal sacrifices.

According to Donaldson and Preston (1995), there are three basic premises to any discussion of stakeholder theory; these concepts may be mutually incompatible or complementary. The fundamental principle of the theory is that it is descriptive; it defines corporations and their related cooperative and competitive interests. The theory covers how businesses are run, the idea of target stakeholders, and the importance of each stakeholder, according to Zanden and Sandberg (2009) and De los Reyes, Scholz, and Smith (2017). This implies that the agreements between the company's management and its stakeholders are grounded in long-standing institutional frameworks familiar to all parties and serve as a legally enforceable basis for working together to advance the business.

The theory also has a practical use since it may be used as a guide to better comprehending the interactions between businesses and their stakeholders and their goals. With the goal of capitalising on each stakeholder's unique qualities, the instrumental tenet describes the interaction between an

organisation and its many constituencies in terms of collaboration, trust, and the free flow of information (Egels, 2004). To back up this idea, Jones, Harrison, and Felps (2018) argue that companies may improve their profitability, stability, and growth by ensuring effective stakeholder engagement in decision-making.

The third premise is that the theory is normative since it requires recognising and giving value to those with a genuine stake in an organization's operations. The normative component, as added by Damak-Ayadi and Pesqueux (2005), concerns the manner in which a company fulfils its ethical responsibilities without undermining its ability to fulfil its goals. According to Jones and Felps (2013), this means that leaders must give credence to the genuine needs of certain communities.

Stakeholder theory has been used in a number of settings within the mining sector. According to the stakeholder theory, for instance, stakeholders in the extractive sector may be able to improve transparency and accountability in revenue management by working together. Omeja (2016) applies stakeholder theory to the mining sector and finds that the substantial rent generated attracts several domestic and foreign actors. According to Mannan, Niksson, Johannson, and Schofield (2020), the idea may help in identifying the many actors in the marine industry who depend on the ocean for their living. Given the theory's adaptability, it makes sense to use it in studies of stakeholder interactions, even if it was originally developed for a different purpose.

Although several researchers have made valuable contributions to stakeholder research, this approach still has its detractors. According to Trevino and Weaver (1999), one of the primary flaws of stakeholder theory is that it fails to accurately portray how companies function in practise. Phillips (1997;2003)

claimed that the theory cannot exclude any party from stakeholder status from a definitional standpoint. In addition, Fassin (2009) argued that the theory suffers from several basic definitional contradictions, and Orts and Strudler (2009) asserted that it fails to draw a sharp line between the ethical and the unethical.

Despite these reservations, we still need to use the stakeholder idea here. For instance, Rao (2013) suggests that including stakeholders through the mining industry's value chain improves communication, cooperation, and transparency. Ambe-Uva (2017) agrees that increasing the government's share of mining industry revenues requires fostering teamwork, including all stakeholders. Stakeholder theory, as pointed out by McPhail (2017), is useful for facilitating cross-institutional coordination, multi-stakeholder conversation and partnerships among government, mining companies, civil society organisations, media, and local communities that are essential for effective mineral resource development.

Applying the stakeholder theory in this study is necessary in the sense that together with the institution and agency theories, it will explain the institutional arrangements in which stakeholder participation in the bauxite mining sector interacts and the development outcomes emanating from bauxite extraction. The next section will focus on defining the main concepts relevant to this study.

### **Definition of Concepts**

This section of the chapter discusses the concepts that underpin the study. The concepts reviewed are stakeholder participation, governance,



institutions and institutional arrangements, legal framework and fiscal regimes, and development.

### Stakeholders and Stakeholder Participation

Stanford Research Institute [SRI] (1963) as cited in Freeman (1984) defines stakeholders as those groups that influence an organisation, system, or issue. Freeman (1984) posits that stakeholders can affect or are affected by achieving the organisation's objectives. Specifically, Evans and Freeman (1993) explain that stakeholders can acquire benefits or suffer losses as a result of the actions of the organisation or system. Barma *et al.* (2012) also define stakeholders as the domestic and international constituents involved in resource policy-making and extraction in the mining sector. While SRI (1963) and Freeman (1984) highlight the power of stakeholders, Evans and Freeman (1993) concentrate on the benefit or loss to stakeholders, and Barma *et al.* focus on the policy-making role of stakeholders. The various definitions suggest that an organisation, system or issue will not exist without stakeholder participation.

As defined by Alkhafaji (1989), stakeholders are groups that exert sway inside an organisation. As defined by Donaldson and Preston (1995), a stakeholder is any individual or group with a material interest in the success of an organisation and whose participation is motivated by the expectation of personal gain. Hill (2007), Jones (2007), and Vasileiadou & Tuinstra (2013) all agree that true stakeholders are those who have a stake in an organisation because they provide essential resources. Alkhafaji (1989) and Seay (2015) focused on the need for organisation to prioritise the needs of primary stakeholders, whereas Hill and Jones (2007) and Vasileiadou and Tuinstra (2013) concentrated on legitimacy. It can be concluded that the various



definitions of stakeholders suggest a relationship between an organisation and its stakeholders.

According to the extent to which the project will affect them, stakeholders are divided into two groups: primary and secondary, as explained by Clarkson (1995) and Mitchell, Agle, and Wood (1997). Owners and stockholders of the organisation, workers, customers, government, and communities are all examples of primary stakeholders (Garriga & Mele, 2004). According to Lee (2007), secondary stakeholders are members of the general public or concerned organisations whose interests are not immediately affected by the organization's operations and whose legal claim on the organization's resources is weaker.

Brett (2003) notes that implementing a successful mineral operation increasingly involves several stakeholders across society and that in the past, the focus had been on the bargaining dynamics between host-country governments and mining companies. According to ICMM (2022), the overall stakeholder groups in the mineral sector include shareholders, government, local communities, employees, suppliers, CSOs, and investors. For this study, stakeholders along the bauxite mining value chain include but are not limited to SMHL, government institutions, local communities, suppliers, media, CSOs, DP, and trade unions.

The scholarship on participation provides a multiplicity of definitions. Hataya (2007) defines participation as a notion of contributing, sharing responsibilities and involvement in decision-making in project implementation. Hataya adds that participation implies collective action taken by people to address communal issues. Mejos (2007) describes participation as a process in

which two or more persons in a community work towards achieving a common good. In the same way, Oswald, Apgal, Thorpe and Gaventia (2018) describe participation as the involvement of people in decisions that affect their lives. Participation will, therefore, enable stakeholders to be part of the decision-making process on issues that are likely to affect them and to participate in the achievement of development. The key elements of participation involve sharing, influencing, benefits, and knowledge.

Stakeholder involvement is defined by the International Finance Corporation (2007) and Jeffrey (2009) as the ongoing process of including all parties who have an interest in or are affected by an organization's operations, policies, or decisions. Policymaking and implementation processes, according to De Stefano (2010), Reed (2008), and Hauck, Saarikoski, Turkelboom, and Keune (2014), are the foundation of stakeholder engagement.

Arnstein (1969) developed a scale of public engagement with eight levels, each representing a commensurate influence on policymaking. Non-participatory methods such as manipulation and treatment make up the lowest tier. Khisty (2006) argue that in the participation process, when people are heard but cannot affect decisions, informing, and consulting are seen as tokenism. Placation is an advanced kind of tokenism in which only a select group of residents is invited to participate. Partnership structures, delegated authority, and citizen control reflect higher degrees of citizen power.

Otto, Andrews, Cawood, Doggert, Guj, Stermole and Tilton (2006) explain that many developing countries, in striving to get a fair share of the resource rent generated, have focused on the important role of state participation while neglecting the role of other stakeholders in decision making. Osei-Kojo

and Andrews (2016) note that in Ghana, local stakeholders are seldom consulted in decisions relating to small-scale mining. Similarly, Chikova and Chilunjika (2021) also indicate that in Zimbabwe, stakeholder participation in the mineral sector is low, given that information flow is one-dimensional, from the government to the citizens. However, Ansu-Mensah, Marfo, Awuah and Amoako (2021) argue that citizens participation in decision-making enhanced the successful implementation of development projects.

Richards, Blackstock and Carter (2004) and Reed (2008) argue that when participation processes are transparent and consider diverse views, stakeholder participation may increase public trust. Furthermore, Michels (2011) claims that stakeholder participation promotes positive attitudes about the process and the outcome, thereby reducing the marginalisation of key stakeholders like the local community in the decision-making.

Understanding the concept of stakeholder participation in the mineral sector is becoming more important as society's expectations continue to evolve. Stakeholder participation in the mineral sector is not just a matter of involvement in the discussion about mineral operations but rather the processes by which decisions are perceived to be transparent for different interest groups (Richards *et al.*, 2004). McPhail (2017) notes that stakeholder participation addresses the challenge of lack of trust among stakeholders and explores how participation can mitigate the negative impact of resource development, particularly where the governance context is weak.

### **Governance, Institutions and Institutional Arrangements**

Overcoming the negative outcomes of the resource curse requires an all-inclusive and integrated governance framework along the extractive industries

value chain. Hence, it is expedient to give some definitions of governance so as to provide a better understanding of the concept. The literature, to date, provides various definitions of governance provided by different scholars and international institutions. These definitions of governance are contextual within the areas of interest and scope of work of the various scholars and international institutions.

The World Bank (1992) defines governance as the manner in which power is exercised in the management of a country's economic and social resources for development. Organisation for Economic Cooperation and Development (1995) defines governance as the use of political authority and the exercise of control in a society in connection to the management of its resources for social and economic development, which is quite similar to what we mean here. Both definitions emphasise the importance of having control over a country's economic and social infrastructure. Human rights, rule of law, and the accountability of governments are also essential concerns in designing and implementing development plans.

Governance is linked to economic, political, and social challenges, according to the United Nations Development Programme (1997). Economic, political, and administrative power are defined as governance forms. Schneider (1999) agrees that governance may be defined as the use of power or authority to direct and coordinate the activities, institutions, and resources of a state. According to Nguyen (2016), citizens' interests, legal rights, duties, and mediated differences are best served by a system of procedures, processes, and institutions that allows them to do so. It is, therefore, concerned with the means by which individuals and organisations express their will, carry out their legal



rights and responsibilities, and find common ground after resolving their disputes.

Institutions, structures, procedures, and the conduct of leaders in exercising social, political, economic, and administrative power are all part of what Kauzya (2000) calls “governance,” which describes the management of public and private affairs. Kauzya elaborates that governance entails a decision-making framework that establishes norms and paves the way for political authorities to serve their constituency. Graham, Amos, and Plumptre (2003) observe that institutions and processes that influence the exercise of power and making decisions on public interest may be evaluated to provide light on governance. Borraz and John (2004) argue that governance is all about the institutional setting in which people and government agencies work. It is safe to say that governance implies a reliance on authoritative figures to make decisions.

However, Hilson and Maconachie (2009) contend that good governance mechanisms on their own are incapable of holding governments accountable for hoarding profits from the mineral sector. Their success is contingent on the involvement of citizens and civil society organisations in holding governments accountable. Gberie (2010) believes that the existence of governance institutions in Sierra Leone does not prevent the conclusion of mineral agreements seen as inimical to resource mobilisation. Consequently, Harvey (2019) cautions that a better governance framework on paper will not necessarily translate into successful development at the local level. Therefore, broader stakeholder participation is needed alongside effective institutional



arrangements to enable countries to translate resource endowment into development.

Stinchcombe (1968) defines an institution as a structure in which people with power are committed to some value or interest. The emphasis here is on the role of power and agency, in which values and interests are protected by people who only possess power. North (1990) defines institutions as “humanely devised rules that structure political, economic and social participation” (North, 1990, p.36). Similarly, Ostrom (1990) defines institutions as “the set of working rules that are used to determine who is eligible to make decisions in some arena, what actions are allowed or constrained, what procedures must be followed, what information must or must not be provided, and what payoffs will be assigned to individuals dependent on their actions” (Ostrom, 1990, p.51).

According to Ingram and Clay (2000), institutions are the rules combined with their enforcement mechanisms that constrain the choices of actors. In the view of Miller (2007), institutions elucidate structures of conventions and norms that regulate systems of joint and individual actions directed at an overarching collective end. In addition, Hodgson (2015) explains that institutions are durable systems of established and embedded social rules that structure social interactions. Hodgson further contends that social rules are sets of relations between individuals. Similarly, Tuomela (2013) also posits that institutions connote collectively constructed normative action systems constituted by norms and social practices. The various definitions depict institutions as the mechanism that shapes attitudes and behaviour and provides societal stability and order.

Scott (1995) distinguishes between “cognitive” institutions, “normative” institutions, and “regulatory” institutions. Scott (2001) defines “cognitive elements” as “shared conceptions that make up social reality and frameworks through which meaning is made,” and he says that organisations often conform to these concepts without giving them much attention. The normative parts serve an obligatory function, whereas the regulative elements concentrate on creating norms and punishments (Scott, 2001; Spence, 2010). This assumes that an institution is a social organisation governed by rules and regulations, within which individuals generate order for the purpose of accomplishing their goals.

The pervasiveness of political involvement throughout the value chain is, according to Chevallier and Kaiser (2010), the primary problem facing institutions in the mining industry. As a result, Ayee, Sreide, Shukla, and Le (2011) cautioned against a centralised decision making process in mineral-rich developing nations, saying that it would reduce the efficiency of institutions and prevent the desired development results from being realised. As a result, effective institutional frameworks are necessary for optimising mineral extraction results (Ayuk et al., 2019).

It is crucial for a nation to build the institutional frameworks to steer growth when it possesses natural resources (Sigam & Garcia, 2012). Developing a legislative framework should be supported by setting up institutional structures, as pointed out by the Natural Resource Governance Institute [NRGI] (2016). Contracts, administrative structures, laws, and policies are all examples of institutional arrangements, as defined by Lowndes (1996). Institutional arrangements are defined by Eaton, Meijerink, and Bijman (2008)

as “a set of rules or agreements governing the activities of a specific group of people pursuing a specific objective.” Institutional arrangements are the rules, structures, and processes that organisations employ to carry out their mission, as defined by the United Nations Development Programme (2009).

As Young (2008) explains, when many institutions work together to solve a problem, this is called a “institutional arrangement”. However, the United Nations (2013) spends considerable time discussing the statistical facets of institutional arrangements, specifically the agreements made between government agencies regarding the division of labour in collecting, compiling, and disseminating data in a particular statistical domain. According to the European Training Foundation (2014), institutional arrangements are “formal government organisational structures and informal norms to support the design and implementation of policies,” which is a definition similar to the one given above but from the government’s perspective.

Despite the different definitions of institutional arrangement in the literature, fundamentals like rules, policy, norms, objectives, systems and processes governing the operations of organisations are common. In the extractive sector, mining exploration, development and production are not conducted in a vacuum. Legislations are required to establish the rules and regulations to control mining activities and determine the sharing of benefits among the various stakeholders.

### **Legal Framework and Fiscal Regime**

In extracting mineral resources, some rules govern the rights and responsibilities of stakeholders – governments, mining companies, civil society organizations and local communities. According to Rabeau (2010), these rules

are called legal frameworks and are the laws, regulations and rules designed to control or govern behaviour. Rabeau explains that regulations are the mechanisms used to express a government's policy to rectify the market, economic and social imbalances. Constitutions, laws, rules, and contracts all contribute to the legal framework, as stated by the Natural Resource Governance Institute (2015). According to Cardona (2015), the legal regulatory framework consists of several national and international legal mechanisms, some of which are obligatory and coercive (such as national laws and regulations) while others are voluntary (such as integrity pacts and codes of conduct).

In relation to the mineral sector, World Bank (2006) explains that the legal framework is the statute laws, regulations, policies and agreements that govern the allocation, tenure and operation of mining rights. The Bank further explains that the regulations will cover issues relating to foreign investment, taxation, foreign exchange environment and other matters. In the same way, Ayisi (2016) describes the legal framework as the law that guides mineral rights and investment in the country. Along similar lines, Ambe-Uva (2017) posits that a well-designed legal framework should provide rules and policies on how state institutions are structured in the mineral sector. These rules should guide the acquisition of mineral rights and licenses, protection of the environment, the fiscal regime governing payments between government and mining companies, and the relationship among stakeholders.

To date, the definition of fiscal regimes in the literature is consistent. According to Kumar and Radetzki (1987), a country's fiscal regime is its system of taxes for the exploitation of minerals in a developing country. According to



Baunsgaard (2001), a fiscal regime is a collection of tax and non-tax instruments that establishes the distribution of revenue from mineral extraction between the host country's government and the mining firm. Tordo (2007) elaborates on how the fiscal regime might be utilised to translate government policy into market-friendly economic signals that can affect investment choices. For the most part, mining wealth is distributed between host governments and investors via the fiscal framework, as noted by Daniel, Keen, and McPherson (2010). All of these variations have a focus on how the government and mining firms split profits.

The primary goal of the fiscal regime is to support the host government's development outcomes using money from extractive sectors, as stated by the International Monetary Fund in 2012. According to the Natural Resource Governance Institute (2015), the fiscal regime is a collection of mechanisms that determines how the government and corporations divide up the profits from oil and mining ventures. Like how Luca and Puyo (2015) define the fiscal regime for mining, oil, and gas as a set of tax and non-tax tools used to produce government income from natural resource extraction activities, this definition is also applicable to the fiscal regime for other sectors.

According to Clausing and Durst (2017), the purpose of the fiscal regime is to implement policies that reduce the probability of adverse events affecting the government and its investors. Furthermore, Durst argues that the legitimacy and stability of the fiscal system have a bearing on the quality of agreements reached between the government and mining firms. In conclusion, a fiscal regime is a method of obtaining funds for government expenditures.



When it comes to the problem of timeliness between the government and mining corporations, Boadway and Keen (2010) stress the significance of a solid legal and regulatory framework in the mineral industry. When commodity prices rise, governments are more prone to renegotiate agreements, and investors are more likely to delay or cancel projects if they fear the legal and regulatory environment is unstable, as noted by Barma et al. (2012). The fiscal regime, which seeks to balance the needs of investors for profit with the government's need for tax income, is one of the most fluid parts of the law governing the mining industry.

According to Baunsgaard (2001), mining operations are subject to a wide range of taxation policies across the globe. Hogan and Goldsworthy (2010) categorise these policies as either tax/royalty systems with licencing of regions or contractual schemes, such as output sharing or service contracts. Production sharing arrangements are more common in the oil and gas industry than in mining (International Monetary Fund, 2012). Hogan and Goldsworthy point out that the fiscal system makes use of both broad-brush taxes and more targeted levies, such as licence and surface rents, on the mining industry. According to Laporte and Quatrebarbes (2017), poor fiscal regimes in many African nations hampered their ability to capitalise on the commodity price boom between 2002 and 2010.

Many authors have drawn attention to the fact that mineral resource endowment and the potential for substantial resource rent provide an unparalleled opportunity for economic growth and development (Barma et al., 2012; Ndikumana & Abderrahim, 2011; Pedro *et al.*, 2020). The concept of development from mineral extraction has been a topical issue in many mineral-

rich developing countries. As Ayuk et al. (2020) noted, mineral extraction, when harnessed prudently, should bring substantial revenue. The revenue generation throughout the value chain offers opportunities for achieving development like economic growth, reducing poverty levels, improvement in the provision of social services like health and water, improved infrastructure and sustainable environment.

### **Development**

According to Todaro and Smith (2006), the term “development” has several dimensions, including “social, economic, political, and human” (Todaro & Smith, 2006). In the decades after World War II, a paradigm emerged that posited rapid economic growth as the primary factor in spurring the social and economic development of nations, particularly those in the Third World. Rostow (1961) argues that progress may be seen as a binary progression from a preindustrial culture based on a simple production model to a modern, industrialised society characterised by high levels of mass consumption. Lewis (1965) and Nurkse (1971) have an explanation that is closely comparable to this one: development is the actualization of economic growth and social development. The transition from an agricultural to an industrial economy is highlighted as the primary metric of progress in these definitions.

The realisation that economic development alone is insufficient to improve the wellbeing of a people emerged in the 1970s. According to Seers (1969), development is the means through which an individual’s potential may be realised; hence, development must lead to less poverty and more equality. Seers (1972) believes that development is mostly about improving the quality of life for everyone in a community. The International Labour Organisation

(1976) agrees, defining development as meeting “basic human needs” as those of health care, stable work, clean water, and sanitation. Inequality, democracy, and public engagement were highlighted as central to the new understandings of development that emerged in the 1970s, according to Pieterse (2010).

According to these explanations, development is the process through which people’s lives and general conditions are enhanced.

Many developing nations saw significant growth rates of per capita income in the 1980s, but poverty persisted in spite of this (Sen, 1985). This led to a shift in the notion of development towards a focus on improving people’s lives rather than their earnings. Sen characterises development as the expansion of an individual’s options for contributing to society. Sen argues that improving one’s standard of living only via financial means is a false promise. The United Nations Human Development Report (UNHDR) (1990) adopts Sen’s (1985) framework to define development as the expansion of individual agencies in determining their own health, education, and economic well-being. Environmental protection, sustainable natural resource management, food security, and quality infrastructure are increasingly integral to development (UNHDR, 2016).

However, the World Progress Report (WDR) (1991) states that privatising inefficient governmental businesses and promoting free markets are essential to progress. Similarly, Harvey (2005) links progress to expanding private property rights, free markets, and free trade as part of an institutional framework that encourages and supports entrepreneurship. Foreign direct investment (FDI) in a country’s mining industry is one indicator of progress included in the United Nations Conference on Trade and Development

[UNCTA] (2007)) focuses on FDI, whereas WDR (1991) and Harvey (2005) limit development to free markets. The private sector is emphasised throughout definitions, suggesting its economic significance.

Barma *et al.* (2012) elucidate that when mineral extraction is well harnessed and managed, it can play an important role in achieving successful development by providing social services, increasing local employment and improving infrastructure. There has been a shift in focus towards local development, as explained by the International Council on Mining and Metals [ICMM] (2013), which includes better infrastructure, lower poverty rates, and expanded access to healthcare, education, and clean water. Zabré, Dietler, Diagbouga, and Mirko (2021) agree that the money made from mining may be used to fund important public projects like new hospitals, clinics, and roads.

The United Nations (2011) defines development as a result of mineral extraction as the provision of water, healthcare, and education, as well as the upgrading of infrastructure such as power and roads. Improvements in transportation, income, and the availability of healthcare, education, and commerce are all cited as results of mineral extraction by Langston, Lubis, Sayer, Margules, Boedhihartono, and Dirks (2015). Mondoloka (2021) argues that growth stemming from mineral extraction extends beyond the scope of individual jurisdictions to address social, economic, infrastructural, environmental, and human rights issues. In conclusion, development includes improving people's access to essential services and overall quality of life.

However, the endowment of mineral resources is not a sufficient condition for better development. It is unnecessary, as many industrialised countries in East and Southeast Asia have had few mineral deposits (Humphreys



*et al.*, 2007). Similarly, Lundgren, Thomas and York (2013) also argue that the achievement of development from mineral extraction is not a certainty, as is seen in many resource-rich sub-Saharan African countries. Hence, Addison and Rae (2018) warn about the challenges mineral-rich developing countries face in using their mineral wealth to achieve inclusive development, especially in diversifying their economies in ways that will reduce poverty and improve human capital development. Therefore, the attainment of development from mineral extraction is contingent on the institutional arrangements and the convergence of interest between the host government and mining companies.

### **Chapter Summary**

Stakeholder theory, agency theory, institutional theory, and resource curse theory are discussed in this chapter. The resource curse idea pointed out the potential drawbacks for resource-rich emerging nations. Laws, norms, and established practises in institutional contexts have a major effect on moulding conduct in society, and this has been shown using the institutional theory. According to the agency theory, the principal-agent relationship between an employer and an employee or between a government and its citizens is contractual. According to the stakeholder hypothesis, every genuine stakeholder in an organization's operations does it for self-interest.

The chapter also reviews the concepts of stakeholder participation, governance, institutions, institutional arrangements, legal framework, fiscal regimes and development. The next chapter reviews the empirical literature and lays out the conceptual framework for the study.



## CHAPTER THREE

### EMPIRICAL REVIEW AND CONCEPTUAL FRAMEWORK

#### Introduction

The chapter covers the empirical research that informed this investigation. The empirical research would give substantial background information useful in making sense of the phenomena of stakeholder participation and institutional arrangements in mineral extraction. The chapter also presents the lessons learnt from the empirical studies and the conceptual framework that guides the study.

An empirical review examines past empirical studies to help the researcher establish connections between studies. Sternberg (1991) notes that an empirical review assists the researcher in preventing duplication of results and pinpointing gaps in the existing body of knowledge. According to Baumeister and Leary (1997), the empirical review helps understand the linkages from the results of various studies and choose a research method based on studies already undertaken on the phenomenon of interest. Griffiee (2012) explains that the empirical review supports the researcher in building on existing knowledge and avoids the reproduction of already known results.

According to Maxwell (2013), a conceptual framework provides the guiding theories of the study and the basis for explaining the study's findings. Casanave and Li (2016) argue that conceptual framework demonstrates the assumptions, expectations and beliefs that help the researcher to thoroughly understand the issues under study. Furthermore, Ravitch and Riggan (2016) opine that the conceptual framework helps the researcher to bring all aspects of

the study together. This assumes that the conceptual framework gives the researcher a vantage point from which to examine the phenomenon of interest.

### **Empirical Review**

The empirical evidence is viewed from the viewpoint of the resource curse theory, institutional theory, agency theory and stakeholder theory, as well as how they relate to the current study. The chapter also discusses the lessons derived from the review of existing literature on stakeholder participation, institutional arrangements and development and finally presents a conceptual framework. In all, 19 empirical investigations are discussed in terms of their applicability to the topic's primary concerns.

### **Empirical Review on Stakeholder Theory**

Mtegha, Cawood and Minnit (2006) undertook a study on national mineral policies and stakeholder participation for broad-based development in the Southern African Development Community (SADC). The purpose of this research was to provide an explanation, grounded in stakeholder theory, for how increased stakeholder participation can lead to the creation of a national mineral policy that is acceptable to a wide range of stakeholders. The research approach was qualitative and the study design was case study. The study population for the study comprised stakeholders identified at different levels and include government institutions, the mining industry, academia, Non-Governmental Organisations, donors, chiefs, local politicians, households, business groups, farmers and other associations.

The primary means of information gathering were document analysis and focus groups. The instruments for data collection were documentary review guide and focus group discussion guide. Purposive sampling was used to select

participants from the study population. The transcripts from the focus group discussions were categorised into different codes and ranked in order of importance. Thematic analysis focusing on describing areas of concern for stakeholders in the mineral sector was used in analysing the data. The topics provide structure and guidance for writing a mining policy paper. The results were validated through stakeholder workshops at the national level.

Mtegha *et al.* (2006) found that mining communities regard social issues like community participation, health and safety, infrastructure development, employment opportunities as priorities for poverty reduction. The study reported that mineral policy arising from effective stakeholder participation resulted in better management and sharing of benefits among affected stakeholders. The study also revealed that local communities perceive mineral operations as the domain of government and multinational corporations because mineral agreements are negotiated without their involvement.

Furthermore, the study showed that participants expect governments to create the enabling environment to attract investment and that improvement in transparency and accountability will ensure the benefits from mineral extraction flow to all citizens. In addition, environmental issues should be part of the negotiation with mining companies. Mtegha *et al.* (2006) discovered that developing a sound mineral policy or strategy does not guarantee successful policy implementation. The study reported that to ensure successful policy implementation, consultative and participatory processes should involve all parties with diverse agendas to obtain consensus and acceptance of policy.

In their conclusion, Mtegha *et al.* (2006) noted that the conventional approach in mineral agreements, focused exclusively on fiscal regimes, has not

had the expected effect on developing nations with abundant mineral resources. As a result, it is crucial to establish collaborative and participative procedures involving all stakeholders to solve problems that are compatible with sustainable development and those that are important to investors and governments. In this approach, stakeholders will not only comprehend the policy being established but also take ownership of it. The execution of the policy and achieving progress, however, depend on institutional capability and insufficient institutional coordination, which are not addressed.

Similarly, Mzembe (2014) undertook a study on stakeholder participation in the mineral sector in Malawi, a case study of uranium mining, using the stakeholder theory as the theoretical framework. The study sought to examine the practices and processes that a mining company pursued in engaging stakeholders in the local communities and Non-Government Organisations in its mining operations. The study employed a case descriptive research design and used the qualitative research technique from the interpretive paradigm. The study's participants were chosen from various stakeholder groups, including the mining firm, host communities, and civil society organisations. Interviews and documentary reviews were the main data collection method, with semi-structured interview guides and documentary review guide as the data collection instruments.

Purposive sampling was used to conduct 37 interviews with officials from the mining company and other stakeholders to understand their perception of development within the mining communities. The views from the interviews captured the level of interaction between mining companies and stakeholders. The review of publicly available enabled issues of validity and reliability to be



addressed. The qualitative data were analysed thematically using four analytical procedures: transcription of interviews and documents, iterative coding, memoing, and analysis of major thematic issues and trends.

Mzembe (2014) found out that to manage relationship with stakeholders, the mining company established a social development department to oversee community interventions and foster relationships with the local communities. Mzembe revealed that contrary to the expectations of local leaders, the mining company reneged on its commitment to actively dialogue with local stakeholders following the commencement of mining operations. The study also reported that local stakeholders had limited opportunities to express their views and proffer solutions to development interventions. Furthermore, the study revealed that the dominant role played by local elites during consultations only served their short-term interest instead of their community. It is further revealed that such an approach to stakeholder participation can undermine corporate interventions to contribute to development.

The study concluded that the engagement strategy of the mining company was not robust enough as it lacked the requisite structures and processes for engagement, and as such with, relevant stakeholders within the mining community were left out of the decision-making processes. In addition, the study concluded that the antagonistic relationship between the mining company and Non-Governmental Organisations is inimical to development within the local community. The study, however, is deficient in neglecting the role of government institutions in the decision making process.

Using stakeholder theory as a theoretical framework, Viveros (2017) conducted a research to better understand how different stakeholders in Chile's

mining industry affect CSR policies and practises. The purpose of the research was to look at how different stakeholder groups in Chile's mining industry may affect CSR policies and practises. The study used a case study as its research design and a qualitative research technique to analyse the perspectives of stakeholders in detail. By using this angle, we were able to learn how the individuals involved interpreted the situation in the mining industry.

Stakeholders, such as mining communities, unions, government institutions, NGOs, and media, were selected from a literature assessment of materials pertinent to the Chilean mining sector. The majority of the information was gathered via interviews with the use of a semi-structured interview guide. Fifty-one people who live in mining locations and have expertise with mining were selected using a purposeful sample strategy. The qualitative data was processed using thematic analysis to reveal common themes, participant insights and perceptions, and interactions between stakeholder groups.

Communities may affect regional growth, according to Viveros's (2017) research, if they insist that businesses take responsibility for their actions. Communities and NGOs are using communication to call attention to mining firms' commitment and compliance with their social, economic, and environmental obligations, according to the research. Viveros showed that Chilean government institutions have the technological competence to guarantee that mining corporations comply with legal and regulatory industry standards, in contrast to several of the research previously evaluated in this study. Stakeholders see control and participation as a valuable way to impact mining firms' corporate social responsibility, according to the report.

Viveros (2017) noted a few problems that hinder mining industry stakeholder engagement. Viveros observed that people's perception of the time commitment required for active engagement might discourage them from taking part in some activities. Time and money are needed for stakeholder groups to attend meetings, travel to other cities, and coordinate with one another. Particularly vulnerable to this, and hence having an effect on their contribution, are non-governmental groups. A stakeholder's propensity to take part in debates was also a factor in how invested they were in the process, particularly if their participation in similar endeavours in the past had yielded negative results. Since earlier agreements were not carried through, people began believing that their participation would not lead to tangible progress.

Viveros concluded that different groups use different approaches to encourage mining firms to be socially responsible. The author also concluded that stakeholders need to take a more proactive stance to ensure mining companies are held accountable for their corporate social responsibilities and that they are instead catering to the interests of stakeholders rather than the other way around. The study, however, included a limited number of stakeholder groups in its analysis.

### **Empirical Review on Stakeholder, Agency and Resource Curse Theories**

Phiri *et al.* (2018) conducted a study on stakeholder interactions in the Zambian copper mining sector, using resource curse, agency and stakeholder theories as the theoretical framework. The purpose of this research was to investigate the role that key stakeholders play in shaping CSR results in Zambia's copper mining industry. Participants in senior management or with significant leadership responsibilities were recruited from 39 different

organisations using snowball sampling for this qualitative research. Participants came from a wide range of sectors, including government agencies, non-profits, labour unions, universities, national accounting groups, local communities, stakeholder engagement organisations, and banks.

The primary means of data collection were interviews conducted using a semi-structured interview guide. Interviews with 43 representatives from stakeholder groups provided the primary data for this study. Key phases of thematic data analysis were used to examine the qualitative data. All of the interviewees' responses were transcribed so that we could pick out the most important details and topics. The transcripts were parsed for excerpts and sorted into analytical topics until the most relevant and essential quotations were found.

The analysis revealed significant power imbalances between the state, CSOs, and mining firms. The state and local residents' reliance on the mining firms for money and social benefits lends credence to the widespread belief that the mining businesses wield considerable economic and political influence. As a consequence, mining firms were able to utilise this bargaining chip to get favourable policies from the government. Stakeholder participation was found to have suffered as a result of power imbalances between the state and mining firms. Chinese corporations' entry into the mining industry has made the problem worse since these firms care more about winning over the government than they do about including locals in policymaking. The research also found that government agencies have neither the resources nor the personnel necessary to keep tabs on CSR activities or consult with local populations about development.



According to Phiri et al. (2018), the dynamics of stakeholder involvement in the mineral sector have altered due to the entry of new participants, particularly Chinese businesses. This is especially true when it comes to corporate social responsibility, which was found to be foreign to Chinese corporations. Based on their financial standing, mining firms may pick and choose which stakeholders to engage with, according to the study's findings. Among the many suggestions made by the research was that governments and mining firms collaborate with other stakeholders as equals to design and execute development initiatives. However, the research did not address the barriers to engagement faced by stakeholders in the mining industry.

A similar topic was examined by Sanborn, Ramirez, and Hurtado (2017), who looked at the influence of the interaction between Peru's ruling elites, mineral businesses, and the government on the country's economic growth. The research also looked at the impact of Peru's government and institutions on the country's mining industry. Current mining governance in Peru, according to Sanborn et al. (2017), is highly affected by historical legacies. Resource constraint, stakeholder, and agency theories served as conceptual underpinnings for the research. The research used a case study design and a qualitative methodology. The primary methods of data collecting were interviews and document inspection. Data was gathered using a semi-structured interview guide and a document review guide. The research sample consisted of mining industry professionals and decision-makers.

Ten interviews were selected at random from the research population based on their knowledge of mining governance and policy in Peru, using a purposive selection approach. The opinions gathered via interviews were

unified according to the themes that emerged. The qualitative data was analysed using thematic themes. Governmental and private sector groups, newspapers, and specialist economics and mining journals were combed through for documents pertaining to Peruvian politics, governance, and policy.

The research concluded that insufficient government institutional capability for providing effective monitoring and control of the mining industry was the primary cause of low stakeholder involvement in the sector. Additionally, government institutions were hampered by political instability and fragmentation. Government policy was found to be significantly impacted by the political clout of private capital multinational firms, as discovered by Sanborn et al. Government technocrats were free to roam between the public and private sectors, where they might potentially affect decisions that favoured the private sector. The research also showed that the private sector benefited from government choices that had been swung in favour of it by international financial organisations like the IMF and the World Bank, with minimal input from other stakeholders like CSOs and local people.

Effective stakeholder involvement in the mineral sector, and the maintenance of more substantial mining governance changes, were found to be hampered by the weak and fragmented state, the influence of private capital, and transnational factors (Sanborn et al., 2017). In addition, stakeholder engagement in the mining industry was not as efficient as it might have been due to a lack of institutional frameworks within government. Concerns about public involvement in the mining industry were given less attention in this research. Government institutions and policies that affect development were not discussed in the research. Phiri, Manzari, and Gleadle (2018) used a new tack

in their investigation of the mutual influence of important actors in the development process.

### **Empirical Review on Stakeholder and Institutional Theories**

Lange and Kolstad (2012) investigated the relationship between mining firms and outside groups in Tanzania as part of a research on stakeholder engagement in decision making. The purpose of the research was to determine whether community investments and other resources were being misappropriated by commercial interests due to a lack of stakeholder involvement in decision making. Stakeholder and institutional theories provide the study's theoretical foundation. According to Lange and Kolstad, businesses may help local economies by being aware of how their capital investments affect existing institutions. The research was qualitative in nature, taking the form of a case study.

Local authorities, legislators, mining company employees, foreign NGOs, and community-based organisations were the study's target demographics. The majority of the information was gathered via interviews and discussion in small groups. Semi-structured interview guides and focus group discussion guides were used to obtain the data. Thirty-five participants, including government officials from Dares Salaam and the nearby cities of Geita and Simanjiro, where the mines are situated, were selected using a purposive sample strategy. A total of 161 participants, split into 8 groups, participated in the focus groups. The interviews and focus groups uncovered the participants' concerns and perspectives on mining firms and stakeholders' power and conflict problems. Interview and focus group data was subjected to theme analysis.

Although both corporations have conducted initiatives in the areas where they operate, Lange and Kolstad demonstrated that this was done without sufficient assessment of the local institutional environment or proper input from affected stakeholders. According to the research conducted by Lange and Kolstad, CSR has allowed corporations to donate large funds to local communities. Unfortunately, local administrations are especially susceptible to private capture, either via theft or the diversion of projects to communities where local decision makers have commercial interests, thus the outcomes from these initiatives have been less than stellar. The research also found that local stakeholders may be quite diverse, therefore it's important for mining firms to consider the opinions of everyone involved, not just the political elites.

The research also revealed that mistrust between mining firms and local authorities was caused by a lack of access to information, particularly over how money were used by local authorities. Lange and Kolstad ascribed this to a combination of a high degree of corruption at both the national and municipal levels, as well as a poor institutional framework. The research also concluded that in-kind gifts made by mining firms to local authorities foster an atmosphere of exclusion of other stakeholders and have a negative impact on the delivery of local development initiatives.

According to the results, mining corporations may have a positive influence on local communities by raising public knowledge of the benefits of local resource sharing. Furthermore, due to corruption, advances that are advantageous to the local population are improbable if left to political decision-makers at the local level. However, the role of mining firms in attaining development was not discussed in the research.



Batty (2013) used stakeholder theory and the resource curse to evaluate the institutional setup in Sierra Leone that resulted in the Mines and Minerals Act of 2009. This research analysed the role that foreign financial institutions and the executive branch had in influencing the final version of the Mines and Minerals Act of 2009. The research is qualitative in character, using a case descriptive study methodology. There were people from a wide range of backgrounds represented in the sample, including those working in the world's financial institutions, local governments, mining firms, NGOs, legislatures, and government bodies. Methods of data collecting include interviews and participant observations. Data was gathered using a participant observation checklist and a semi-structured interview guide.

Nine respondents were chosen using a purposeful selection technique, including members of parliament, civil society activists, Paramount Chiefs, mining company executives, and landowning families. The perspectives and concerns of the different stakeholders are classified based on recognised themes from the FDGs and interviews with those engaged in the process leading to the passage of the new legislation, and verified via regional consultations. The data was analysed using a thematic approach to draw out recurring ideas, thoughts, and feelings among the participants.

According to Batty, the government's efforts to include stakeholders in talks on the fiscal regime in the Act were inadequate. Batty noted that the "iron triumvirate" of the mines minister, the large-scale mining companies, and the International Financial Institutions like the World Bank were able to agree on a fiscal regime that was deemed inadequate and would not give the country a fair

share of the resource rent generated, contrary to the recommendations of civil society organisations.

The research also found a lack of government institution cooperation and an unduly centralised executive policy making process. Furthermore, it has been noted that the inadequate institutional capability of government agencies helps to explain why the fiscal regimes in mineral agreements are so imbalanced, with so many concessions for mining corporations, which in turn has hampered the country's profits from the extraction of the minerals.

Batty (2013) said that governments should find a middle ground between immediate concerns and long-term objectives, particularly when it comes to the fiscal terms of mining agreements. Batty argues that it is crucial to open the Mines and Minerals Act, 2009's budgetary provisions to suggestions for improvement from interested parties. In order to get the most out of the natural resource extraction process and speed up growth, it was also suggested that government organisations responsible for overseeing the industry be given more resources. However, crucial data on stakeholder engagement was left out of the research since it did not include respondents from government entities responsible for the design, implementation, and monitoring of rules.

Wilson (2015) investigated the effect of corporate social responsibility and power dynamics on neighbourhood growth. The purpose of this research was to analyse the impact that mining corporations' CSR activities have had in post-war Sierra Leone's diamond and rutile mining communities. Stakeholder and institutional theories form the basis of the research. The research is qualitative in nature, taking the form of a case study. The primary methods of data collecting were interviews and document inspection. The tools used for

data gathering included a semi-structured interview guide and a guide for reviewing relevant documents. Participants included government officials, staff from development organisations, traditional leaders, youth and elders from mining areas, and representatives from the companies themselves.

To better understand the role and potential of corporate social responsibility to support community development in mining regions and to identify the primary problems, 25 interviews were selected using a purposeful sample strategy. The interviews were recorded and afterwards transcribed and evaluated thematically. Interviewee answers were given in the form of contextual description after thematic analysis was used to identify, code, and categorise the primary themes from the data. The main data was augmented with secondary data from governmental and non-governmental organisation papers and media articles.

The study's findings showed that the adoption of CSR activities very little and sometimes sustainably promoted community development. The claim is that these changes are essentially the result of unequal power dynamics between mining communities and the mining communities, where there was insufficient interaction with different mining community sectors to fully understand their demands. The survey also discovered that since resources are being diverted for personal gain, the dependence on the current social structure that gives conventional authorities authority over decision-making is perceived as a barrier to progress. The research also revealed that the execution of low effect initiatives in education was caused by the lack of a framework to design, carry out, and monitor programmes.

According to the research, community development has been hampered by asymmetrical power connections, particularly those between mining firms and the locals in mining villages and the social structure at the base. The report advised against maintaining the current social structure that grants traditional leaders sole authority and in favour of actively involving diverse groups from the community in decision-making at all phases of mining-driven community development. A separate regulatory team should be established, according to the study's recommendations, to guarantee that the law is upheld in mining regions. However, observation was not used as a technique for data gathering in the research, which would have offered some indication of development.

Using the resource curse, stakeholder, and institutional theories as their theoretical framework, Doro and Kufakurinani (2017) investigated a related topic regarding institutional arrangements, looking at the role of Parliament in Uganda's oil and Zimbabwe's diamonds. The research focused on the problems and ambiguities that dysfunctional states have when dealing with recently found natural resources. A case study was used as the study's study design and a qualitative research methodology was used. Data gathering mostly included document reviews.

Only the documentary review guide was used as a data gathering method. The primary data gathering tools included documents on legislative legislation, policy papers, parliamentary debates, parliamentary committee reports, court cases, and reports from both state and non-state entities. Thematic analysis was used to study the data since these sources provided both official and unofficial perspectives on the roles played by the two parliaments in the oil and diamond industries in Uganda and Zimbabwe, respectively.



Doro and Kufakurinani (2017) discovered that neither parliament succeeded in establishing the necessary legal frameworks for resource governance in their respective nations. According to the research, confidentiality terms in Ugandan mineral agreements between the government and mining firms are the root cause of their opaqueness since they preclude public and parliamentary discussion of the agreements' specifics. This is true despite the fact that both the Access to Information Act of 2005 and the 1995 Constitution include provisions requiring the government to disseminate information to all Ugandans. The analysis discovered that while similar issues had been brought up by civil society organisations, particularly in light of Uganda's laws governing the extraction of petroleum, they had been rejected by a Ugandan court on the grounds of national security.

It was discovered that Parliament in Zimbabwe had a similar problem getting information on diamond prospecting and extraction. Despite having a policy that guarantees access to information, Doro and Kufakurinani found that the diamond industry has struggled with issues of transparency and accountability, particularly with regard to production, marketing, tax contributions, and general management. According to the research, this lack of transparency led to widespread corruption and leaks in the income from diamond mining, which made it difficult for the nation to get a fair portion of the resource rent produced.

Following the discovery of new resources, emerging nations with poor institutional frameworks for governance, according to Doro and Kufakurinani (2017), confront enormous difficulties. Systems and institutions governing oil exploration in Uganda and diamond mining in Zimbabwe have remained mainly

centralised within the executive, with little authority and scrutiny from Parliament, in the two nations under study. The restricted engagement of other stakeholders, according to Doro and Kufakurinani, also prevents the development of a strong system of natural resource governance and encourages cronyism and corruption in the mining industry. The research, however, solely focuses on one university, which limits its institutional scope. Additionally, the research leaves out a description of how stakeholder involvement affects development.

Using the stakeholder and institutional theories as a theoretical foundation, Lajula and Narh (2019) evaluated the degree of coordination among institutions in charge of collecting and dispersing mining royalties in Ghana. The purpose of the research was to evaluate the Minerals Development Fund Act, Act 912's capacity to solve current issues with the distribution and allocation of mineral royalties as well as its potential to foster development in Ghana's mining towns. The case study research design was used in conjunction with the qualitative research methodology. Interviews and a study of the supporting documentation served as the primary methods for gathering data, with semi-structured interview questions and a review of the supporting documentation serving as the instruments.

The study's participants were employees of the Office of the Administrator of Stool Lands (OASL) and the Minerals Development Fund (MDF). Based on their understanding of the Act's implementation and their significant contributions to the conversation, respondents were chosen from the research population using purposeful sampling. A workshop at the University of Ghana helped to converge and authenticate the opinions gathered from the

interviews with government officials based on selected topics. The qualitative data were examined thematically. The Stool Lands Act 481 of 1994, the Auditor General's report, and scholarly works on the governance of the mining sector were among the documents thoroughly studied that dealt with the collecting and distribution of mineral royalties in Ghana.

According to Lajula and Narh (2019), the institutional arrangements controlling the distribution of royalties were not addressed by the Act 912. The organisations in charge of collecting, disbursing, and monitoring payments to OASL also failed to consult with one another. The analysis demonstrated that even while mining firms pay royalties to the GRA, there is no guiding concept in the Act that specifies how and when MDF should receive the 20% royalty payment and when the MDF should send funds to the OASL. In reality, GRA sends the Central Bank the royalty money. Lajula and Narh highlight that since funds to MDF are now disbursed at MoFEP's discretion, other stakeholders are unable to effectively plan their development initiatives.

According to Lajula and Narh (2019), Act 912 lacks precise requirements for openness and accountability, which prevents disclosures about the royalties that accrue to the MDF, the royalties that the MDF distributes to other institutions, and how these revenues are used. The research also said that the OASL is not required by the Act to audit the district assemblies and traditional bodies to whom it allocates mining royalties. The research also showed that, in spite of Act 912's provisions encouraging participatory development in the distribution and use of mining royalties, the Local Management Committee (LMC)'s (the LMC) establishment was problematic since there was insufficient stakeholder involvement. Lajula and Narh said that

as a result, there was less consultation and resource use that was not in line with the socioeconomic requirements of the mining communities.

According to Lajula and Narh (2019), the MDF Act's (Act 912) textual ambiguity led to traditional authorities misappropriating mining royalties. The investigation came to the further conclusion that the absence of explicit institutional structures caused delays in the payment of mining royalties to the MDF, leading to the build-up of arrears. According to the research, the government should collaborate with the traditional councils to create explicit systems that would make it obvious how the mining royalties are used. The report suggested creating a framework for accountability where stakeholders are held responsible for the use of mining royalties. However, the research omits to address the causes of ineffective institutional coordination in the distribution and collection of mining royalties.

Ansu-Mensah, Marfo, Awuah, and Amoako (2021) researched stakeholder participation in the Ghanaian mining industry using Newmont Ahafo mines as a case study in 2021. Ansu-Mensah et al. claimed that achieving effective mining-related advancements required pressure from stakeholders. The stakeholder and institutional theories served as the study's foundation. The study used an exploratory research methodology and a qualitative case study technique. The major methods for gathering data were observation, documentation review, and interviews. The tools used to acquire the data were a semi-structured interview guide, a documentary review guide, and an observation checklist. The study's participants included representatives from mining companies, chiefs, assemblymen, community people, governmental organisations, and non-governmental organisations.



To explore how stakeholders are involved in corporate social responsibility, the research employed purposive and snowball sampling strategies to choose 21 interview subjects. Transcribing and thematically analysing the data gathered from every facet of the interview and conversation. Exact quotations from the responders were also included in the debate. The Ghanaian mining industry's corporate social responsibility documents were also examined. Agriculture, health, education, and water and sanitation facilities were also seen.

According to the study's findings, including stakeholders in decision-making has proven essential to achieving sustainable development. The mining business made aggressive measures to ensure that all stakeholders were included in the decision-making process, according to Ansu-Mensah et al. The survey also showed that people in the neighbourhood community are aware of the actions conducted by the mining corporation. The study also indicated that farmers received skills training to equip them with contemporary techniques and boost output.

The study concluded that the support provided by the mining company has contributed to improve the socio-economic condition of impacted communities. Furthermore, the contribution and participation of stakeholders in the mining areas led to sustainable development for the present and future generations. However, the selection of respondents did not include other stakeholders like the Ministry of Finance and the Ministry of Mines, who are critical when investigating stakeholder engagement in the mining sector.

### **Empirical Review on Resource Curse and Institutional Theories**

Ayee, Søreide, Shukla, and Le (2011) conducted a research on the political economy of the mining industry in Ghana. In order to comprehend the effects of mining on Ghana's economy and development, the research looked at the institutional structure and political climate in the governance of the mineral industry throughout the value chain. The resource curse and institutional theories served as the study's theoretical foundations. According to the report, effective governance changes are expected to improve the overall effect of mining on economic growth. Ayee et al. also evaluated the effects of an overly centralised policy-making process and the motivation issues in institutions directly or indirectly engaged in mining governance. Public institutions, politicians, civil society groups, the commercial sector, and academics in Ghana made up the study's population.

A case study design was used in the qualitative research technique. The primary research techniques used were document examination and interviews. Semi-structured interview guidelines and documentary review guides served as the primary research tools. 35 individuals were chosen at random from the research population using purposeful sampling. After data is categorised and transcribed, the perspectives gathered from interviews are presented under topics. Thematic analysis was used to extensively evaluate and identify common themes in documents pertaining to the political and institutional structure of the mining industry, land appropriation, administration of mineral income, and mining sector governance.

Ayee *et al.* (2011) found that incentive problems in institutions along the value chain directly or peripherally involved in mining governance were a

major factor in explaining why it has been difficult to implement policies that will lead to better development. Members of Parliament, who in most cases aspire for ministerial positions and government officials who want to keep their positions, were unlikely to disagree with the policy directives from the executive. The study also found that an excessively centralized policy-making process, a powerful executive president, strong party loyalty, a system of political patronage, lack of transparency, and weak institutional capacity at the political and regulatory levels also contribute to poor policy implementation.

Ayee *et al.* (2011) also revealed that the mineral sector has not been integrated with the rest of the economy, with few forward and backward linkages with mining companies having their own supply and manufacturing contracts and relying on markets abroad. The study concluded that political commitment to governance reform of the sector has been intermittent at best and that appropriate legal and institutional reforms are critical to enhance the net impact of mineral extraction on development. It is also concluded that the multiplicity of stakeholders with limited participation made reform difficult, but most importantly, competent institutions with clear mandate should be established and strengthened to make decisions that will ensure better development and enforce transparency and accountability. The study, however, fails to map out the institutional set-up in the mineral sector.

A research was undertaken in 2014 by Dartey-Baah, Amponsah-Tawiah, and Aratuo to evaluate Ghana's institutional preparation both before and after oil production. The research evaluated the role of politics in determining how best to utilise oil rents to support the nation's development requirements. The resource curse and institutional theories created the theoretical foundation for

the investigation. In the research, Norway was explicitly utilised to illustrate the efficiency of institutional reforms in maximising advantages from their oil discovery and how developing countries like Ghana may do the same.

The case study research design was used with the qualitative research approach. The only way to get data was via an examination of the documentation. The documentary review guide served as the only tool for data collection. Information was gathered through reports on institutional policies, legislative tools, and national politics. These materials were carefully examined using thematic analysis to look for underlying themes and assisted in unravelling the institutional structure of the mining industry.

Dartey-Baah *et al.* (2014) found out that Ghana's institutional architecture as regards the production of oil and gas is fraught with inadequacies on all fronts. The study articulated the role of Ghana's political elite in perpetuating these institutional inadequacies, particularly those mandated to ensure transparency and accountability to promote their interests. The study also revealed that most legislations regulating the oil and gas industry before the flow of first oil from the Jubilee Field were enacted in the 1980s under a military regime and are deemed inadequate in the current environment. In addition, the technical capacities of regulatory institutions were grossly inadequate, in terms of logistics and human capital. Furthermore, it was found that there was limited space for stakeholder participation, which starved the process of diverse views that could have enriched the policies.

Dartey-Baah *et al.* (2014) concluded that some institutional architecture deficiencies may have negative consequences in its quest to make the oil resource a blessing. The study highlighted the subtle attempt by various



governments at weakening institutions, particularly those mandated to ensure transparency and accountability. This was demonstrated through the failure to enact appropriate laws and strengthen the institutional capacity of agencies responsible for regulating and managing the oil sector. Finally, the study recommended that consensus building among stakeholders is critical to avoid dire consequences in resource management from the new oil find. However, the study relied on documentary review and failed to discuss the impact of stakeholder participation and how this could promote transparency and accountability and, hence, development.

### **Empirical Review on Stakeholder and Resource Curse Theories**

Garrett and Lintzer (2010) examined how the institutional arrangement in Katanga's mining sector can contribute to development in the Democratic Republic of Congo (DRC). The study examined two variables from the DRC's mineral production: the fiscal contribution and the growth of economic ties (transport, electricity, catering services). The resource curse and stakeholder theories supported the work. The research used a case study methodology and was qualitative in character. Participants were carefully chosen and included government authorities, executives from Katanga's mining firms, and representatives of donors. The two primary ways of gathering data were document reviews and interviews. The semi-structured interview guide and documentary review guide served as the data collecting tools.

To better understand the DRC's fiscal income contribution and economic ties, reports from parliamentary committees, civil society groups, the mining code, mine laws 08/016 and 08/012 from 2008, and mineral agreements were examined. Regarding their views on the creation and distribution of

income from the diamond mining industry to development, representatives from mining businesses were questioned. The opinions gathered during interviews were coded, then probable themes were examined. The research identified three key topics from the creation and distribution of income from the mining industry using thematic analysis.

Garrett and Lintzer (2010) discovered that Katanga's lack of institutional architecture and stakeholder involvement contributed to a drop in the sector's earnings. This is due to a lack of cooperation and insufficient capability among the national taxing bodies. Without collaboration or information sharing, the different tax-collecting agencies operate independently. According to the report, significant obstacles exist to transferring mining profits from the state to the province. Although the legislative system has defined processes for allocating mineral royalties in percentage distribution, it is unclear whether mining corporations should pay the royalties to the central or provincial governments.

Additionally, there was restricted access to information concerning revenue transparency and public responsibility for expenditures among other important stakeholders. The survey also found that there aren't many forward and backward connections between the mining industry and other economic sectors. Garrett and Lintzer came to the conclusion that better governance, in the form of stakeholder involvement and institutional capacity enhancement, would guarantee that the money made through mineral extraction serves as a conduit for growth and development in the DRC. The research concluded that the fiscal regime's implementation would be a key factor in determining whether the diamond mining industry develops into a growth and development

engine. The research does not show how mining money affects development in the study region and is restricted in the institutions and interviewees it covers.

Broomes (2015) assessed the consequences of meaningful stakeholder participation and how transparency in governance can impact positively on developments in Botswana and South Africa. The study hinged on the stakeholder and resource curse theories. Broomes posited that when investors and governments undertake meaningful engagement with other stakeholders in the mineral sector, resource extraction can provide meaningful developments. A descriptive case study design was used to collect qualitative data. Documentary review was the main method for data collection, with documentary review guide as the instrument for data collection. Data was collected from legislative policy papers and instruments, reports from chamber of mines, international organisations, development plans and budget reviews of government of Botswana. Data were analysed using documentary analysis.

According to Broomes, Botswana's involvement with other stakeholders made it possible to achieve national development objectives, enhance livelihoods, and lessen poverty. Botswana decentralised their corporate social responsibility plan using a thorough stakeholder strategy. The policy boosted entrepreneurship, reversed rural-to-urban migration, reduced demand for services in urban regions, increased local capacity and skills, and promoted environmental sustainability in local communities. Generally speaking, the emphasis was on eradicating poverty and accelerating the achievement of national development goals, particularly those outlined in the MDGs. The research also showed that where there is significant stakeholder

engagement, foreign investment in mining regions may have a good social and environmental effect.

The advantages of genuine contact between the government, investors, and communities were highlighted by Broomes in his conclusion. In order to accomplish national development goals, including lowering poverty, enhancing human capital, and providing essential social services, this will serve as a catalyst in reforming communities. Additionally, it is decided that staff members should be considered as partners with a stake in the growth and profitability of mining operations. The implications of institutional structures in the mining industry on development were not taken into account in this research.

Leonard (2017) investigated the state's ability to effectively control mining development in Dullstrom, South Africa, including how the state interacts with mining firms and civil society. The resource curse and stakeholder theories served as the study's theoretical foundations. The research examines how legal frameworks and public input into decision-making affect outcomes. A case study design was employed, and the study followed the qualitative research technique from the interpretivist paradigm. The two major techniques of gathering data were interviews and document reviews. Guides for semi-structured interviews and analysis of documentary materials served as the data gathering tools.

Landowners in Dullstroom, farmers, neighbourhood leaders and representatives, local youth groups, outside environmental NGOs, public legal institutions, the mining sector, and local and provincial government agencies made up the study population. 16 interviews were chosen from the study population using purposive sample procedures to get their opinions on state



governance, involvement, and development outcomes. In order to triangulate information replies and find connections with the interview data, documents pertaining to institutional information, reports, and laws were carefully examined. The opinions gathered from these interviews were examined using a thematic approach to identify related developing topics in governance and participation.

According to the report, a shortage of human resources at all levels of government led to poor governance and negatively affected the ability of government institutions to keep an eye on ongoing mining activities. According to Leonard, the executive arm of government exerted political pressure on lawmakers to support mining growth. As a consequence, participation by CSOs and other local development players was tokenistic. According to Leonard, government and mining company collaboration hindered oversight of mining development and made it possible for mining applications to be accepted without careful consideration. Leonard said that since there was a lack of stakeholder involvement in the decision-making process, mining firms were able to exploit enforcement flaws and shape local development.

The study's conclusion is that inadequate governance—in particular, conflicting institutional mandates and insufficient coordination across governmental institutions—has negatively impacted stakeholder involvement in the mining industry. The research came to the additional conclusion that mining corporations participate in tokenistic ways with other stakeholders, leading to the execution of development initiatives that are mostly supply-driven. Despite the presence of a legislative framework to regulate mining activities, the research did not examine the cause of the low stakeholder

engagement. Additionally, the report failed to outline the roles of other government organisations in the mining industry and solely concentrated on one specific government entity.

Using the resource curse and stakeholder theories as a theoretical framework, Arellano-Yanguas and Bernal-Gómez (2017) researched the effects of stakeholder engagement on local development in Peru and Columbia. The research examined the partnership for development framework's effects and its potential to substantially contribute to local development. This study used a case study design and a qualitative research technique. Interviews and reviewing documentaries are the primary research techniques. The tools used to gather data were semi-structured interview guides and document review questionnaires.

The population for the research included local, regional, and federal elected officials, as well as managers from mining companies, policy-makers, legislators, academics, representatives from the local community, NGOs, and other civic organisations. Arellano-Yanguas and Bernal-Gómez (2017) conducted 107 interviews with respondents in Peru using purposive sampling. 74 interviews were performed in Peru using purposive sampling to choose respondents at the local and national levels. Additionally, information on stakeholder engagement may be found in papers like business and public reports, media stories, and literature produced by civil society groups. Themes were used to organise and display the qualitative data once the interview material had been coded and transcribed.

Arellano-Yanguas and Bernal-Gómez (2017) discovered that in Columbia, a gulf existed between the local community and mining corporation

due to the lack of effective stakeholder involvement. Social unrest, as a consequence of this, hindered mining operations and had a negative influence on the government's ability to collect taxes. According to the research, local communities could not negotiate problems, including infrastructure, jobs, and social and environmental concerns, since there was no venue for social discourse. The research also showed that the development attainment was hampered by the lack of institutional arrangements to direct stakeholder conversations.

Arellano-Yanguas and Bernal-Gómez (2017) discovered that it was challenging for stakeholders to participate in important decisions in rural parts of Peru since there were no government institutions there. Additionally, mining firms have taken advantage of this imbalance to change the balance of power in their favour and have been successful in influencing stakeholder involvement to safeguard their operations. The mining corporations chose the objectives, developed the interventions, and engaged NGOs and businesses to oversee their execution. The research also found that corruption among government officials and weak local governments are significant barriers to successful stakeholder involvement in Peru. The research came to the conclusion that creating a stakeholder involvement platform minimises conflict and maximises profit for all parties involved in the mining industry. However, the study is deficient in explaining the institutional arrangements in the mineral sector at the local level in the two countries.

A case study of the Newmont gold mining firm in the Birim North area was used by Gou (2019) to analyse the relationship between mining companies and local government. The research primarily looked at how district assemblies'

functions are impacted by mining firms' actions. Gou positioned this research under the stakeholder theory and the resource curse. A qualitative research approach was used to provide respondents the chance to explore their opinions and viewpoints on the relationship between mining firms and local government.

The study's population comprised local government authorities, community-based organisations, and non-governmental organisations. A semi-structured interview guide was used to streamline the data-gathering process, which was the primary study methodology. Purposive sampling was utilised in the research to pick 15 respondents from the population, taking into account how long they had lived in the area. The qualitative data were analysed using theme analysis. Key topics were then extracted from the transcripts of the recorded interviews. To achieve our study goal, analysis of the transcribed data focused on looking for overarching themes and sub-themes.

Gou (2019) found out that in the implementation of community development initiatives, a network of partners with diverse interests was created to enhance collaboration. This enabled stakeholders to analyse problems from diverse perspectives and facilitated the successful implementation of projects within the district medium-term development plan. The study also revealed that there were some backward linkages created because of the mining operations. For example, there was an increase in internally generated funds for the local assembly from the registration fees of private businesses who were either suppliers or service providers seeking to do business with the mining company.

According to Guo (2019), successful local development efforts were implemented as a consequence of excellent coordination between the mining firm and the 10 villages located inside the mining concession area. According



to the study's findings, stakeholder involvement between the local assembly and mining firm improved the execution of development operations and raised domestically produced cash. Guo (2019) suggested, however, that if policies and legal frameworks provide district assemblies responsibilities to play in talks from the time mining corporations apply for mineral rights, stakeholder involvement may be improved throughout the extractive industries value chain. However, the research did not cover the influence of stakeholder engagement on advancements in the mining region.

Lajula, Brunnschweiler, and Edjekumhene (2020) assessed the nature and extent of institutional dissemination of information on Ghana's petroleum and mining revenue management, using the stakeholder and resource curse theories as the theoretical framework. The study examined the information sources available to Ghanaians and the information-seeking behaviour of respondents. The study adopted a quantitative method approach and a survey as the study design. Interviewing was the main method of data collection. A semi-structured interview guide was the main instrument for data collection.

A survey was conducted in 120 of the 216 districts in Ghana at the time. All six oil and twenty-five mining districts were purposively selected, while the remaining 89 districts were randomly selected. The random sampling method was employed to select 3,526 adult respondents who were interviewed face-to-face by enumerators. The Electoral Commission's list was used to randomly select five electoral areas, from which one District Assembly (DA) member was also randomly selected. The DA was then required to select on unit committee member, one chief or traditional authority, one opinion leader and two non-elite citizens were randomly selected in each electoral area. In all, 30 respondents

per district were selected, with an average of 26 respondents per district. The data were analysed using descriptive statistics and graphs.

Lajula *et al.* (2020) found out that the channel of information used by the Public Interest and Accountability Committee (PIAC) and the Ghana Extractive Industries Transparency Initiative (GHEITI) does not reflect the most effective way to inform all stakeholders about mineral revenue. Internet is a major source for less than 10 percent of the respondents, newspapers for less than five percent; and equally few list public meetings as a main information source. The study also found that there are few information sources about local resource revenue management among non-elite citizens. This particular group of stakeholders relied on local leaders for information about revenue management, who relied on radio and television. Furthermore, the use of social media platforms in promoting stakeholder participation was found to be problematic among non-elite citizens.

The study also revealed that local leaders are an important source of information within their communities. The study found that there is a gap in stakeholder participation, especially in relation to information sharing about mineral resource revenue. Lajula *et al.* identified lack of interest of people not directly affected by mining, the availability of information in English, and the use of information channels used by the minority of the population as the main challenges to effective information sharing among stakeholders in the Ghanaian mineral sector. The study recommended that government institutions use other communication mediums like posters at public meetings or community information centres. This will lead to a better-informed public and enhance

transparency and accountability of local leaders. However, the study failed to discuss how institutions impact on developments locally.

As a result of the empirical research, it was discovered that the majority of studies use interviews and examinations of archival materials to examine stakeholder involvement, institutional setup, and growth in the mining industry. Because most studies only examine a small number of stakeholders and institutional setups, they have a propensity to ignore other significant players at a given stage. The review also showed that thematic analysis, in which the many problems that emerged from qualitative data were grouped into themes, was mostly employed to study qualitative data.

The empirical review has also been organised into three thematic areas: stakeholder participation, institutional arrangements and development. Each table provides a summary of the empirical studies that have been reviewed in this study from perspectives such as the author and year of the study, purpose of the study, location, underlying theories, study population, sampling method, instruments for data collection and analytical techniques, findings and gaps. Table 1 shows empirical review of stakeholder theory.

**Table 1: Summary of Empirical Review of Stakeholder Theory**

No	Author(s) / Year	Topic	Location(s)	Research Method and study design	Study population	Sample Method	Instruments for data collection	Findings	Research Gap
1	Mtegha, Cawood & Minnit (2006)	National minerals policies and stakeholder participation for broad-based development in the southern African development community (SADC)	South Africa, Namibia and Malawi	Qualitative research approach and case study	Government departments, industry, labour, academia, NGO's, development or donor agencies, chiefs, local politicians, small-scale miners, households.	Purposive	Documentary review guide and focus group discussion guide	Mineral policy arising from effective stakeholder interaction resulted in better management and sharing of benefits among affected stakeholders	It failed to discuss how broad-based development are affected by institutional arrangements The use of interviews would have
2	Mzembe (2014)	Doing Stakeholder Engagement Their Own Way: Experience from the Malawian Mining Industry	Malawi	Qualitative research approach and case study	Mining company, local communities and CSOs	Purposive	Interview guide documentary review guide and focus group discussion guide	Inadequate stakeholder interaction affected development	Deficient in neglecting the role of government institutions in the decision making process
3	Viveros (2017)	Unpacking stakeholder mechanisms to influence corporate social responsibility in the mining sector	Chile	Qualitative research approach and case study	Government officials and local community members	Purposive	Documentary review and interviews	Communities were not actively involved in the decision-making but are merely recipients of social and economic benefits from mining companies.	Limited coverage of stakeholders in the mining sector.



Table 2 shows the empirical review on stakeholder, agency and resource curse theories.



**Table 2: Summary of Empirical Review on Stakeholder, Agency and Resource Curse Theorise**

No.	Author(s)/Year	Topic	Location(s)	Research Method and study design	Study Population	Sampling method	Instruments for data collection	Findings	Research gap
1	Phiri, Manzari & Gleadle (2018)	Stakeholder interactions and CSR practices Evidence from the Zambian copper mining sector	Zambia	Qualitative research approach and case study	Government and mining company officials	Snowballing	Semi-structured interview guide	Stark power asymmetries in the relationship between the state, the civil society and mining companies.	Limited analysis of stakeholder participate along the EIVC
2.	Sanborn, Ramirez & Hurtado (2017)	Mining, political settlements and inclusive development in Peru	Peru	Qualitative research approach and case study	Experts and Policy Makers	Purposive	Semi-structured interview guide	Poor stakeholder interaction was due to the apparent lack of institutional capacity within government to provide effective monitoring and management of the sector.	Failed to discuss how government institutions and policies impact development.

Table 3 shows the empirical review on stakeholder and institutional theories.



**Table 3: Summary of Empirical Reviews on Stakeholder and Institutional Theories**

No.	Author(s)/ Year	Topic	Location(s)	Research Method and study design	Study population	Sample Method	Instruments for data collection	Findings	Research Gap
1	Lange and Kolstad (2012)	Corporate Community Involvement and Local Institutions: Two Case Studies from the Mining Industry in Tanzania	Tanzania	Qualitative research approach and case study	Government officials, traditional authorities, member of Parliament, NGOs, CBOs and officials from two large-scale gold mining companies	Purposive	Interview guide, documentary review guide and focus group discussion guide	Lack of due consideration of the local institutional context and proper stakeholder interaction.	Failed to discuss how mining companies participate in the achievement of development.
2	Batty (2013)	Enacting the Mines and Minerals Act (2009) of Sierra Leone: Actors, Interests and Outcomes	Sierra Leone	Qualitative research approach and case study	Government agencies, the opposition party, host communities, large-scale mining companies, civil society organizations, opinion leaders and international financial institutions.	Purposive	Interview guide and observation	Government provided limited platform for stakeholder interaction in the discussions relating to the fiscal regime in the legislation.	The study did not benefit from wide stakeholder engagement to draw meaningful conclusion..
3	Wilson (2015)	CSR and power relations: Impediments to community development in post- war Sierra Leone diamond and rutile mining area	Democratic Republic of Congo	Qualitative research approach and case study	Mining companies in Katanga, donor representatives and government officials	Purposive	Interview guide and documentary review guide	Lack of institutional architecture and stakeholder interaction in Katanga resulted in a decline in revenue from the mineral sector.	Failed to analyse the institutional arrangements and its impact of collection and distribution of mineral royalties.



Table 3 continued

<p>4 Doro &amp; Kufakurini (2017)</p> <p>Resource Curse or Governance Deficit? The Role of Parliament in Uganda's Oil and Zimbabwe's Diamonds</p>	<p>Uganda and Zimbabwe</p>	<p>Qualitative research approach and case study</p>	<p>Documentary review guide</p>	<p>Parliaments in Uganda and Zimbabwe failed to create the effective legislative instruments for resource governance in their respective countries.</p>	<p>Limited institutional coverage. Reliance on only one methodology which will not provide a thorough analysis of the institutional arrangements in the mineral sector.</p>
<p>5 Lajula and Narh (2019)</p> <p>Ghana's Minerals Development Fund Act: addressing the needs of mining communities</p>	<p>Ghana</p>	<p>Qualitative research approach and case study</p> <p>Government officials and local community members</p>	<p>Purposive Interview guide and documentary review guide</p>	<p>The Act 912 failed to address institutional arrangements governing the disbursement of royalty. Although royalty payments are made by mining companies to the GRA, there is no guiding policy in the Act as to how and when MDF should get the 20 percent royalty payment and when MDF should transfer to the OASL.</p>	<p>The study failed to discuss the factors informing poor institutional coordination in the disbursement of mineral royalties. Using the observation as a method would have provided information on the development.</p>

Table 3 continued

6	Ansu-Mensah, Marfo, Awuah, Amoako (2021)	Corporate social responsibility and stakeholder engagement in Ghana's mining sector: a case study of Newmont Ahafo mines	Ghana	Qualitative case study approach and an exploratory research design.	Management, employees, chiefs, assemblymen, community representatives, governmental agencies, and non-governmental institutions.	Purposive and snowball	Interview guide, documentary guide and observation	The mining company collaborate with relevant stakeholders in implementing relevant development projects.	Failure to include government institutions that are important in managing and regulating the mining sector.
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Table 4 shows the empirical review on resource curse and institutional theories.



**Table 4: Empirical Review on Resource Curse and Institutional Theories**

No	Author(s)/ Year	Topic	Location(s)	Research Method and study design	Study population	Sample Method	Instruments for data collection	Findings	Research Gap
1	Ayee, Søreide, Shukla & Le (2011)	Political Economy of the Mining Sector in Ghana	Ghana	Qualitative research approach and case study	Public institutions, politicians, civil society groups, the private sector, and academics	Purposive	Documentary review guide and semi- structured interview guide	Incentive problems in institutions along the value chain directly or peripherally involved in mining governance are a major factor in explain why policies have not led to better development.	Failed to map out the institutional set-up in the mineral sector and less rigorous analysis of the institutional arrangements.
2	Dartey-Baah, Amponsah- Tawiah & Aratuo (2014)	Rent-seeking resource and institutional challenges in Ghana's nascent oil economy	Ghana	Qualitative research approach and case study			Documentary review guide	Ghana's institutional arrangements in the mineral sector is fraught with inadequacies on all.	Reliance on only one methodology which will not provide a thorough analysis of the institutional arrangements in the mineral sector.



Table 5 shows the empirical review on stakeholder and resource curse theories.



**Table 5: Empirical Review on Stakeholder and Resource Curse Theories**

No	Author(s)/ Year	Topic	Location(s)	Research Method and study design	Study population	Sample Method	Instruments for data collection	Findings	Research Gap
1	Garrett and Lintzer (2010)	Can Katanga's mining sector drive growth and development in the DRC?	Democratic Republic of Congo	Qualitative research approach and case study	Mining companies in Katanga, donor representatives and government officials	Purposive	Interview guide and documentary review guide	Lack of institutional architecture and stakeholder interaction in Katanga resulted in a decline in revenue from the mineral sector.	Failed to analyse the institutional arrangements and its impact of collection and distribution of mineral royalties.
2	Broomes (2015)	Governance, risk and stakeholder engagement: What lessons can be learnt from mining?	Botswana and South Africa	Qualitative research approach and case study			Documentary review guide	Meaningful stakeholder commitment created opportunities for the interest of key stakeholder and communities to be taken into account in decision making.	The study failed to discuss issues of institutional arrangements and effects on development.
3	Leonard (2017)	State governance, participation and mining development: Lessons learned from Dullstroom, Mpumalanga	South Africa	Qualitative research approach and case study	Landowners, farmers, neighbourhood leaders, youth groups, government officials and officials from NGOs	Purposive	Interview guide and documentary review guide	Human resource challenges at all levels of government adversely impacted on the ability of government institutions to regulate mining activities.	Study did not address the reason for low stakeholder participation in decision-making.

4	Arellano-Yanguas & Bernal-Gómez (2017)	Partnerships for development in the extractive sector: protecting subterranean interests?	Peru and Columbia	Qualitative research approach and case study	Officials at the local and national level, mining company managers, policy-makers, politicians, academics, local community representatives, NGOs and other civic groups.	Purposive sampling method	Documentary review guide and semi-structured interview guide	Stakeholder participation at the local level was tokenistic The absence of effective stakeholder participation created a void between the local communities and mining company.	Deficient in explaining the institutional arrangements in the mineral sector in the two countries.
5	Guo (2019)	Understanding the mining-local governance nexus – a Ghanaian case study	Ghana	Qualitative research approach and case study	Local government authority community-based organisation and non-governmental organisation.	Purposive sampling method	Documentary review guide and semi-structured interview guide	Effective collaboration between the mining company and communities within the mining concession area resulted in successful implementation of development initiatives.	Failed to discuss the role of the mining company as an important stakeholder along the EIVC.
6	Lajula, Brunnschweiler & Edjekumhene (2020)	Transparent for Whom? Dissemination of Information on Ghana's Petroleum	Ghana	Mixed method approach and case study	Members of the district assembly, unit committees, traditional	Random and Purposive	Interview guide	The channel of information used by the PAIC and GHEITI do not reflect the most effective way to inform all	Reliance on one methodology.

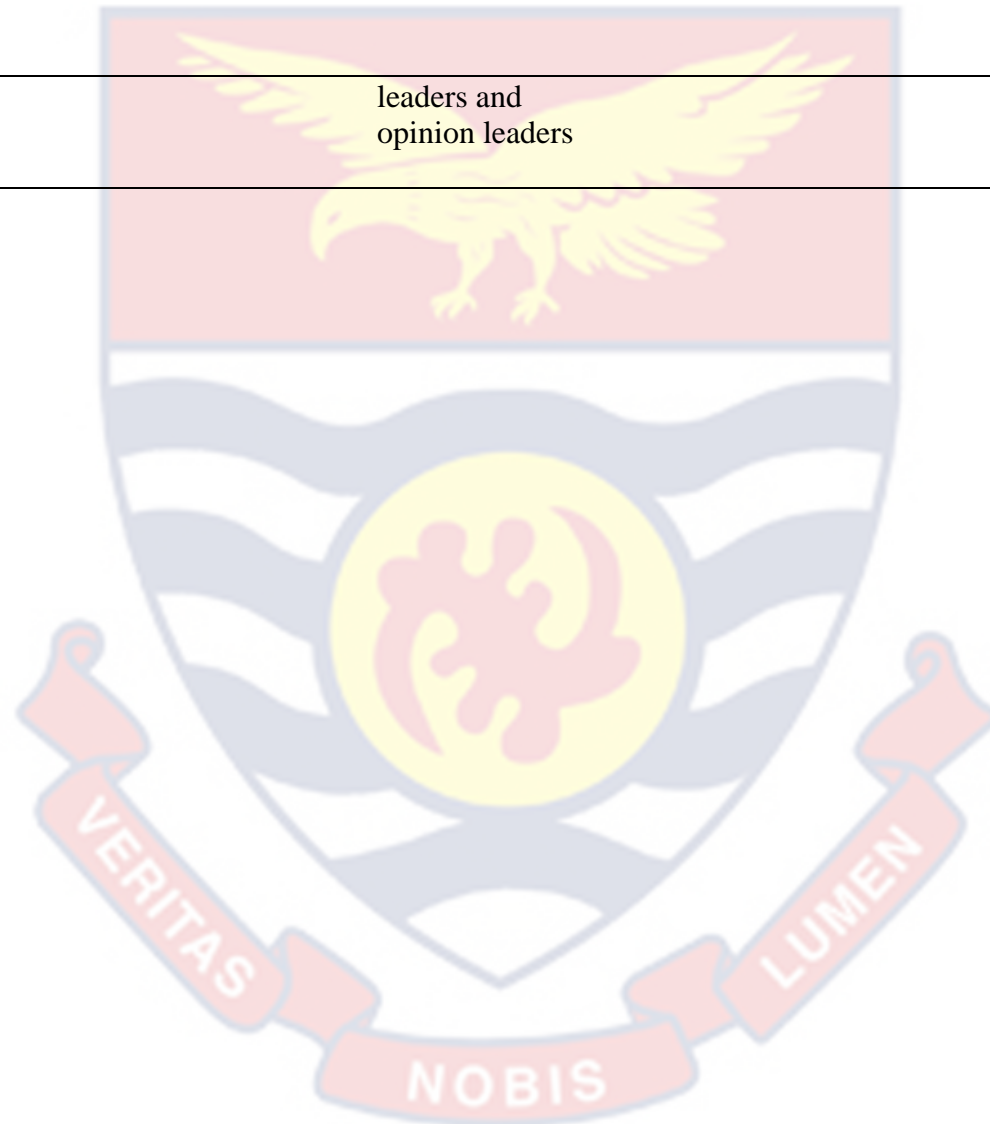
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and Mining Revenue  
Management

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leaders and  
opinion leaders

stakeholders in the mineral  
sector.





## Lessons Learned

The empirical review reveals that some of the studies focus on stakeholder participation in the formulation of policies and legislations, while others focus on stakeholder participation in planning and implementing activities for development. Other studies concentrate on institutional set-up in the mineral sector, while others emphasis on the role of institutions in the collection and distribution of revenue. Most of the empirical studies use qualitative research approach to analyse data for their studies, with 18 out of the 19 studies using this approach. The empirical review also shows that the qualitative studies also adopted case study as their study design. Only one study uses the mixed method approach and was focused on stakeholder participation at the local level.

The empirical review also reveals that the population for the various studies came from the stakeholder groups in the mineral sector. Some studies focus on only stakeholders at the local level, while some focus on government institutions, mining companies and civil society organisations. The purposive sampling technique is the dominant technique applied in most of the qualitative studies. The study that uses quantitative approached used random and purposive sampling techniques.

In terms of the sources of data, both primary and secondary data are used. Most of the studies combine the two sources of data, although two of the studies exclusively relied on secondary data. It is evident from the empirical review that some of the studies focus on institutional arrangements in the mineral sector by examining the role of specific institutions, while others pay attention to only the institutional arrangements at the local level. While one

study exclusively deals with the legislative arm of government, other studies focus on other government institutions involved in the mineral sector. While some studies focus on stakeholder participation at the local level, others focus on few stakeholders at the central level.

The empirical review also shows that interviews, focus group discussion, observation and documentary review are the main methods of data collection. Furthermore, the empirical review reveals that interview guides, focus group discussion guide and documentary review guide are the main instruments for data collection. However, only one study uses observation as a method of data collection, which is a major methodological gap in the other studies that look at developments in the mineral sector.

In relation to analytical techniques, thematic analysis is used to analyse qualitative data, through identifying, coding and categorising the major themes. In terms of findings, the empirical review showed that government, mining companies and civil society organisations have an important role in stakeholder participation and institutional arrangement in the mineral sector. Some of the studies indicate that stakeholder participation in the mineral sector is influenced by the government's decision to accommodate the diverse views of other stakeholders in the sector. Other studies identify the economic power of the mining companies as a determinant factor in the way stakeholders participate in the sector, while some studies highlight the important role of civil society organisations as the main reason for improving stakeholder participation in the mineral sector.

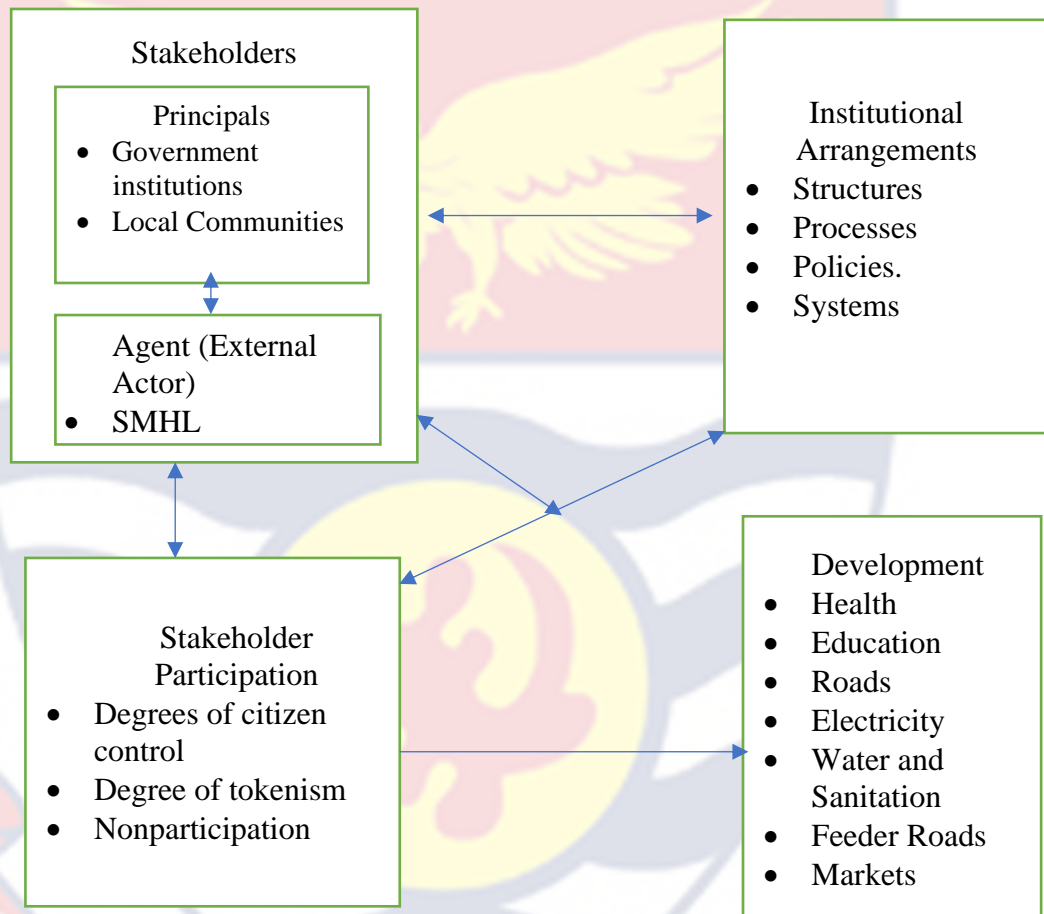
The findings also show the lack of coordination among government institutions which is adversely impacting on development.

Therefore, juxtaposing the above findings explains why more research is required to understand how stakeholders interact in the mineral sector and also to understand the institutional set-up along the value chain that will lead to the attainment of development. The review also shows that although the qualitative studies can identify major themes relating to stakeholder participation and institutional arrangement. However, an important methodological gap is the absence of quantitative data in the qualitative studies to support the perspectives gathered from the literature. The empirical studies reviewed do not provide a measurement for development outcomes from mineral extraction. Hence, more work needs to be undertaken to understand how stakeholder participation and institutional arrangements impact development outcomes, which can be measurable.

### **Conceptual Framework of Stakeholder Participation, Institutional Arrangements in the Bauxite Mining Value Chain and Development in Mining Communities, Sierra Leone.**

A conceptual framework creates a synergy through which the concepts, assumptions and beliefs support and inform the research to address the objectives set out in Chapter 1. The framework that guides this study aims to clarify why attaining development through mineral extraction depends on the effectiveness of governance. Figure 1's conceptual framework illustrates that there are four distinct areas for analysis: (i) stakeholders; (ii) institutional structures in the bauxite mining industry; (iii) stakeholder participation; and (iv) the contribution of stakeholder participation and institutional structures to

development. The primary factors that will be examined for each of these are identified, along with any connections or relationships they may have with other variables in the framework. The starting point for the investigation is on the stakeholders in the bauxite mining sector in Sierra Leone.



**Figure 2: Conceptual Framework of Stakeholder Participation, Institutional Arrangements in the Bauxite Mining Value Chain and Development in Mining Communities, Sierra Leone.**

Source: Author's construct based on Arnstein (1969), Barma *et al.* (2012), and Mondoloka (2021)

The assumption is that government institutions are responsible for managing and regulating the activities in the bauxite mining sector, where a multinational firm undertakes extraction. The interaction between the various stakeholders raises issues of power and its distribution and how it affects



participation. Participation brings about the inclusion of citizens in decision-making and results in the acceptance of policy. The assumption is that participation in the bauxite mining sector can be assessed as nonparticipation, degree of tokenism and full citizen control.

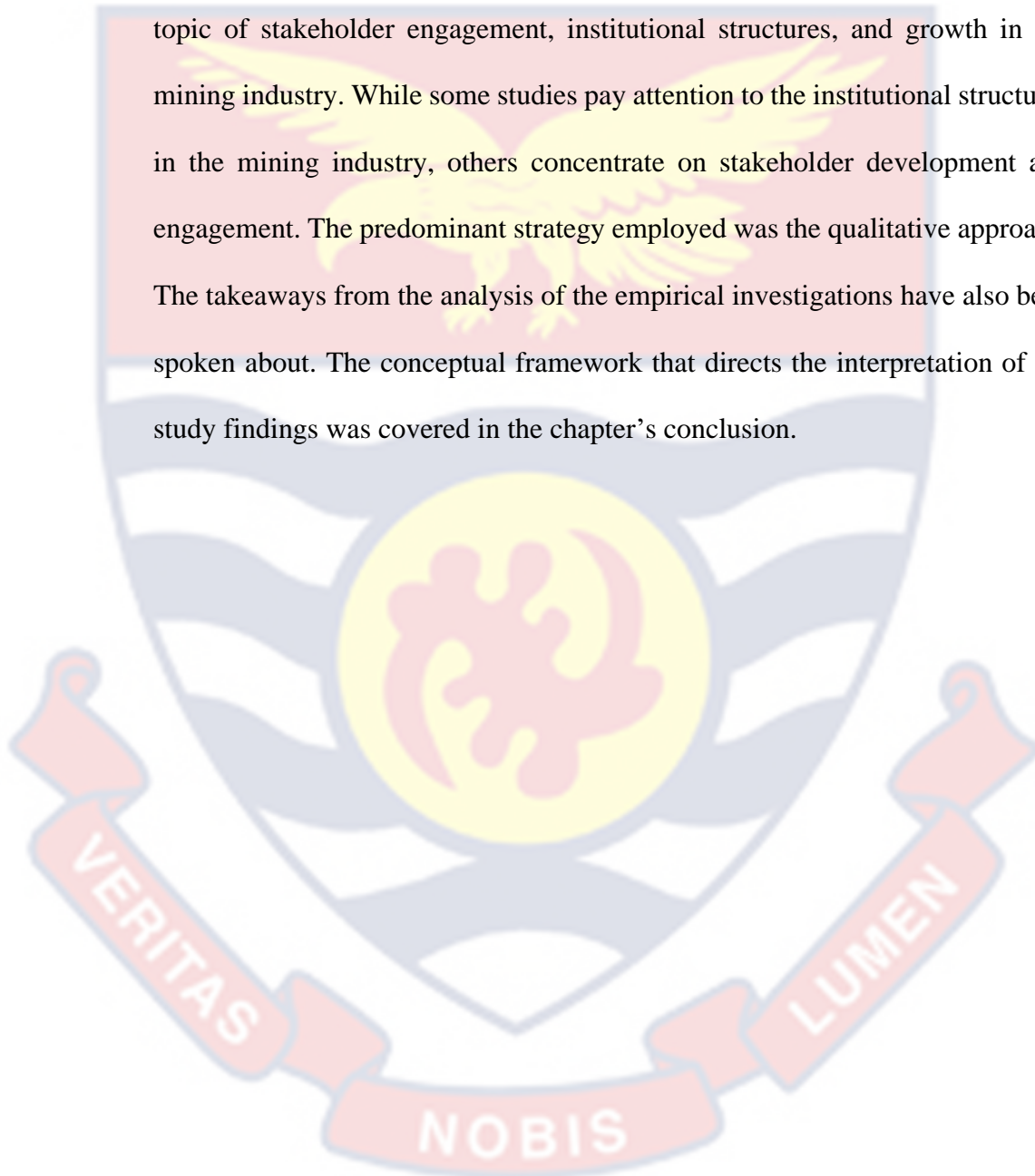
In the bauxite mining industry, institutional arrangements refer to the frameworks, procedures, rules, and frameworks that all stakeholders utilise to legislate, plan, and manage their operations as well as to successfully cooperate with one another in carrying out their missions. The host country's capacity to get a fair portion of the resource rent from the extraction of bauxite, which when effectively harnessed would subsequently operate as a conduit to attaining development, will be impacted by the institutional arrangements. The prospects for attaining broad-based growth and development via revenue mobilisation throughout the value chain of bauxite mining would be reduced in the absence of institutional structures. Mining communities won't have the money they need to carry out development initiatives in the absence of efficient institutional systems.

The key variables to be investigated for the third and fourth areas of investigation include education, health, infrastructure, employment and agriculture, markets and water and sanitation. The assumption is that the contribution of stakeholder participation and institutional arrangements in the bauxite mining sector is fundamental in how local communities translate mineral endowment into development. As a result, government and mining companies may adopt multi-level, holistic, integrated and multi-stakeholder governance framework to translate mineral endowment into development. The framework suggests that the achievement of development is predicated on the

nexus among stakeholders, stakeholder participation and institutional arrangements along the mining value chain.

### Chapter Summary

The chapter began with an analysis of a few empirical studies on the topic of stakeholder engagement, institutional structures, and growth in the mining industry. While some studies pay attention to the institutional structures in the mining industry, others concentrate on stakeholder development and engagement. The predominant strategy employed was the qualitative approach. The takeaways from the analysis of the empirical investigations have also been spoken about. The conceptual framework that directs the interpretation of the study findings was covered in the chapter's conclusion.



## CHAPTER FOUR

### METHODOLOGY

#### Introduction

This chapter identifies and explains the methodology, which is the overall research strategy adopted to address the research questions. According to Rajasekar, Philominathan and Chinnathambi (2013), research methodology systematically solves the research problem. It informs not only the methods and techniques for data collection but also the choice of techniques for data analysis. This chapter presents the entire methodology, including the philosophical perspective, research approach, study design and study area. The study population, sampling procedure, sources of data, data collection method, instruments design, community entry are also discussed. Finally, topics such as moral issues, data gathering from the field, data processing, and fieldwork difficulties have been covered.

#### Philosophical Perspectives of the Study

All research is based on some underlying philosophical tenets and Benton and Craib (2001) note the important roles of different philosophical perspectives in academic research. Benton and Craib add that the different philosophical perspectives contribute to our understanding of the social world phenomenon. Understanding the design, execution, and goals of any empirical study requires an appreciation of these philosophical stances. Pring (2000) points out that the philosophical strands in academia include positivism, interpretivism and pragmatism. Scotland (2012) asserts that these philosophical strands comprise four key elements covering its assumption: ontology, epistemology, axiology and methodology. Scotland adds that ontology is about

reality, epistemology relates to truth, axiology refers to ethical issues, and their assumptions guide the choice of methodology.

Positivism is one of the philosophical perspectives in social research that is based on empiricism, behaviourism, naturalism and determinism (Sarantakos, 1998). Jaeger (1998) also notes that positivism details how deductive logic is combined with precise observations of human behaviour in order to discover and confirm a set of probabilistic causal laws through which general patterns of human activity can be predicted. Fadhel (2002) points that research related to positivism relies on deductive logic, formulation of hypothesis and testing those hypotheses. Positivist research aims to provide explanations and make predictions which can be generalised based on measurable outcomes (Cohen, Manion & Morrison, 2007).

Guba and Lincoln (1994) assert that positivism associates its ontological stance with the external world and an objective reality which can be discovered independently devoid of metaphysical considerations. Guba and Lincoln explain further that positivists believe reality is out in the world and is independent of the researcher. While Pring (2000) clarifies that discoverable reality exists independent of the researcher, Cohen, Manion and Morrison (2007) surmise that objects have an existence independent of the knower. Scotland (2012) notes that the researcher must maintain a distant and non-interactive position to not influence the research procedure. With respect to the mineral sector, stakeholder participation could only be understood by bringing together the researcher and key informants and focus group discussants.

Quantitative designs have been criticised from different perspectives. Shank and Brown (2007) contend that the detachment of the researcher from



the participants makes it difficult to get in-depth analysis of the phenomena under study. Bryman (2008) also points out that quantitative research fails to differentiate societal interactions from natural sciences. Bryman adds that quantitative researchers have to follow a linear and non-flexible nature of research, which fails to take into account the dynamic nature of social reality. Furthermore, Christiansen, Johnson and Turner (2011) accuse quantitative methods of ignoring the contribution of participants to the issues underpinning the study. In this study, the contribution of key informants and focus group discussants is important in understanding stakeholder participation and institutional arrangements in the bauxite mining sector. As a logical sequence, the interpretivist perspective was adopted in this study.

Guba and Lincoln (1998) note that interpretivism associates its ontological stance with the existence of multiple realities and these realities are socially constructed. Crotty (2003) notes that interpretivism focuses on understanding and interpreting human and social reality. Crotty explains that reality is constructed subjectively by the researcher and that multiple realities exist. In the view of Hussain, Elyas and Nasseef (2013), interpretivism associates its ontological stance with relativism, where multiple realities exist and social constructions are based on experience. Interpretivism, as noted by Thanh and Thanh (2015), allows researchers to better understand the perspectives of individuals, such as the reasons for tokenistic participation of some stakeholders in decision-making in the bauxite sector.

Interpretivist researchers usually adopt qualitative research method. Bryman (2008) defines qualitative method as one that emphasizes words rather than quantification in the collection and analysis of data. Creswell (2009) notes

that the qualitative method provides factual data and descriptive information about the phenomena under study. Hammarberg, Kirkman and Lacey (2015) add that qualitative method responds to questions about experience and perspective, mostly from the participant's view. Qualitative researchers use interviews and focus group discussions to collect data from participants and analyse data thematically. In consonance with this, key informant interviews and focus group discussions were conducted to elicit meaning and interpretation of stakeholder participation and institutional arrangements in the bauxite mining sector, since these aspects cannot be observed or measured.

However, qualitative approach has been criticised on the basis of its subjectivity and different interpretation of the social world (Bryman, 2008). This restricts findings from qualitative research to a particular scenario, making generalisation difficult. In addition, Bryman and Bell (2011) notes the challenge in the replicability of qualitative approach given that participants' views characterise it. Furthermore, Shah and Al-Bargi (2013) posit that participants may provide response based on their perceived view and thus makes it impossible to generalise knowledge. The shortcomings of the positivist and interpretivist paradigms inspired the emergence of the pragmatist philosophical perspective.

### **Research Approach**

The qualitative approach was adopted in the research study. According to Bryman (1988), the central theme of qualitative research is the way in which people being studied understand and interpret their social reality. Denzin and Lincoln (2000) define qualitative research as the type of research that locates the observer in the world and consist of a set of interpretive, material practices

that makes the world visible. In other words, qualitative research is used to answer questions about experience, meanings and perspectives, mostly from the view point of the participant (Bryman & Bell, 2011; Hammarberg, Kirkman & de Lacey, 2015). Bryman (2012) also spells out that qualitative method provides the strategy that usually emphasizes words rather than quantification in the collection and analysis of data and allows for richer answers.

There are four reasons why this research called for a qualitative approach. First, the qualitative method allowed for the description of key informants' opinions and experiences in terms of stakeholder participation and institutional arrangements in the bauxite mining sector. Second, it allowed for direct observation in the collection of data in terms of developing projects that have been undertaken in the mining communities. Third, the case study design of the research allowed for the identification of several social, economic, and political concerns that may be connected to stakeholder engagement, institutional frameworks, and growth in the bauxite mining industry. Finally, the empirical review showed that most studies on stakeholder participation and institutional arrangement adopted the qualitative research approach (Sanborn *et al.*, 2018, Lajula *et al.*, 2020).

### **Study Design**

Given that the study concerns stakeholder participation, institutional arrangement and development in the bauxite mining sector in Sierra Leone, the case study design is appropriate because it provided a proper description of the issues of interest. Stake (1995) elucidates that the case study design is concerned with the complexity and particular nature of the case in question. Yin (2009) contends that case study research is considered appropriate for investigating a

contemporary phenomenon within its real-life context and when the phenomenon under investigation cannot be influenced by the researcher. Bhattacharjee (2012) explains that case study is a method of intensively studying a phenomenon over time within its natural setting and involves multiple methods of data collection, such as interviews, focus group discussions and documentary review.

Specifically, a case study design was adopted for the study. Yin (2003) elucidates that the case design helps the researcher to describe a problem or phenomenon in the nature and context in which it exists. In this respect, Creswell (2014) and Yin (2014) explain that the case design helps to gather rich and holistic accounts of the phenomenon to generate a depth of knowledge on issues being studied. In this study, the collection of information included the perceptions and experiences of various stakeholders in the bauxite mining sector and their impact of development from bauxite mining. Interviews and focus group discussions with various stakeholders provided an in-depth knowledge to understand stakeholder participation, institutional arrangements and development in the bauxite mining sector.

Despite the usefulness of the case study design in carrying out this study, it has some inherent weaknesses. The case study design poses a challenge with regards to non-representativeness and findings that the researcher can influence (Bhattacharjee, 2012). Explaining further, Bhattacharjee indicates that the integrative capacity of the researcher may influence the quality of inference, and this may pose difficulties in generalizing inferences to other contexts. However, it is the right approach for this research since it will help the author grasp the



subtleties between government institutions and the interaction between stakeholders in the real-world environment of the bauxite mining industry.

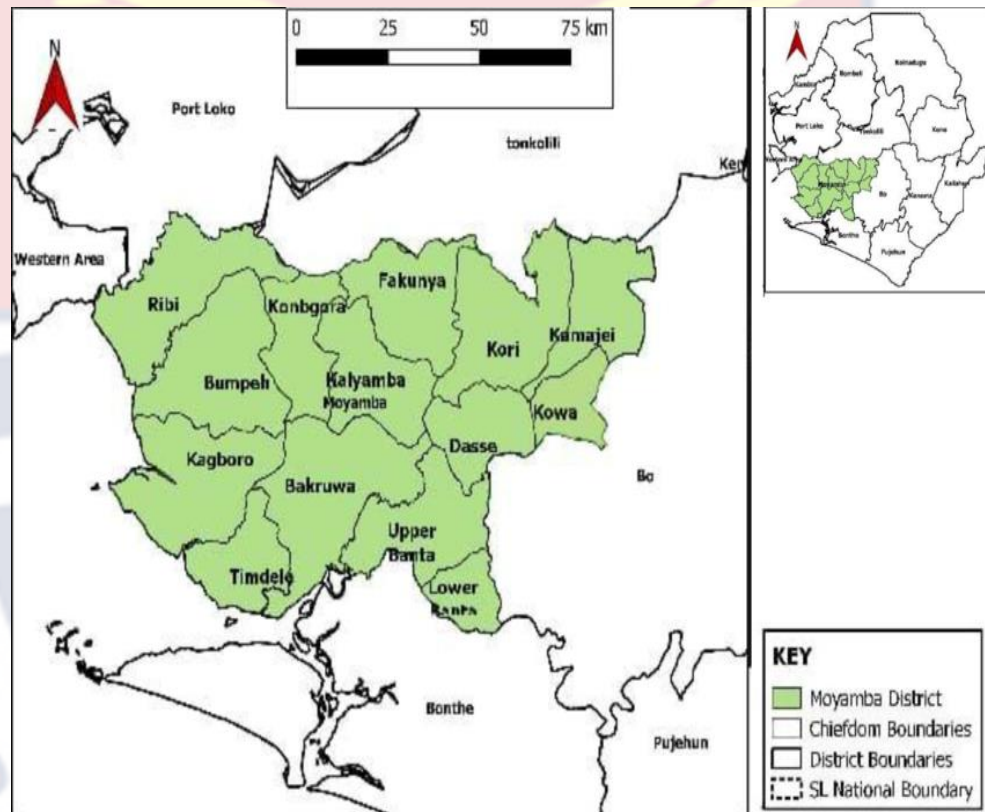
### Study Area

The study took place in Gondama and Gbonje communities in the Upper Banta and Lower Banta Chiefdoms in Moyamba District, Southern Province, Sierra Leone. The current bauxite mining operation is undertaken in these two communities. Upper Banta and Lower Banta Chiefdoms are among the 14 Chiefdoms in Moyamba District (Figure 3) and have been the host chiefdoms to bauxite operations since 1963. The district is bordered by the Atlantic Ocean in the west, Port Loko District and Tonkolili District to the north, Bo District to the east and Bonthe District to the south. Moyamba District lies within latitude 8°07' North and Longitude 12°05' West and has a total land area 6,902 square kilometres.

The population for Moyamba District, according to the 2021 mid-term census, is 346,771 representing 18.9 percent of the Southern Province's total population. The majority (over 85%) of the district population are engaged in agriculture, forestry and fishery (Statistics Sierra Leone, 2018). The mid-term census also reported that over 71 percent of the population is engaged in agriculture and is the main livelihood source (Statistics Sierra Leone, 2021). The main foodstuff produced are oil palm, cereals (maize, rice, sorghum and millet) and starch food crops (yam, cassava and cocoa). In addition, cashew, black pepper, ginger, pineapple and sugarcane are popular farm products in the district.

According to SLIHS (2018), agriculture is still done at a subsistence level and has been unable to reduce the level of poverty in the district. Livestock

remains relatively small and underdeveloped such as household level owning poultry, goats and cattle. The district has two large-scale mining companies: Sierra Minerals Holding-1 Limited and Iluka Mining. These two companies contribute about 35 percent of mineral revenue and 40 percent of mineral exports.



**Figure 3: Map of Moyamba District**

Source: Geological Department, National Mineral Agency

### Study Population

In this research, all the stakeholders involved in the bauxite mineral sector in Sierra Leone qualified to be members of the study population because they can impact or are impacted by bauxite operations. The target population for the study includes both primary and secondary stakeholders. The primary stakeholders include government institutions such as the Ministry of Finance, the Ministry of Mines and Mineral Resources, the Ministry of Environment,

National Mineral Agency, National Revenue Authority, Parliamentary Committee on Mines, officials and Moyamba District Council staff. Other primary stakeholders include Paramount Chiefs, CSOs, CBOs, youth groups, women groups, landowners and SMH. The secondary stakeholders include development partners, academics, private sector firms. These categories of respondents were selected because they have in-depth knowledge of bauxite mining issues, as far as the study is concerned.

**Table 6: Stakeholder Classification**

Stakeholder	Stakeholder status	Location
Ministry of Mines and Mineral Resources	Government institution	Freetown
Ministry of Finance	Government institution	Freetown
Ministry of Environment	Government institution	Freetown
National Mineral Agency	Government institution	Freetown and Moyamba district
National Revenue Authority	Government institution	Freetown and Moyamba district
Parliamentary Committee on Mines	Legislator	Freetown
Parliamentary Representative	Legislator	Freetown
Sierra Minerals Holding-1 Limited	Mining Company	Mining Site at Gondama
Environmental Protection Agency	Government institution/Regulator	Freetown and Freetown
Moyamba District Local Council	Local government institution	Moyamba district
Paramount Chiefs/Elders	Community guardian	Moyamba district
Civil Society Organisations/ Community Based Organisations	Monitor	Freetown, Gondama and Gbonje
Private Sector Firms	Mineral sector participant	Freetown
Former Government Officials	Mineral sector participant	Freetown

Table 6 continued

Lecturers, Fourah Bay College	Academic	Freetown
Landowners	Local Community	Gondama and Gbonje communities
Youth groups	Local Community	Gondama and Gbonje communities
Women groups	Local Community	Gondama and Gbonje communities
Development Partners	Donor	Freetown

Source: Fieldwork (2022)

### Sampling Procedure

To accurately generalise research findings to the whole population from which they were drawn, sampling is defined by Turner (2020) as the process of choosing units from the population of interest for study. As described by Tisdall, Davis, and Gallagher (2010), Purposive sampling is a non-probability sampling approach in which samples are selected with a predetermined goal in mind. I employed purposive sampling technique to select key informants such as government officials at the central and local levels, SMHL, DPs, CSOs, CBOs, private sector firms, former government officials and academic institutions. These key informants were selected because they are well-positioned to provide relevant information about stakeholder participation, institutional arrangement and development in the bauxite mining sector in Sierra Leone. Table 7 shows the sampling summary for key informants.



**Table 7: Sampling Summary for Key Informants**

	Unit	Sampling Procedure
1	Central Government Institutions	Purposive
2	Moyamba District Council	Purposive
3	Parliament	Purposive
4	Sierra Minerals Holding 1 Limited	Purposive
5	Development Partners	Purposive
6	Fourah Bay College	Purposive
7	Private Sector Firms	Purposive
8	Civil Society Organisations	Purposive
9	Community Based Organisations	Purposive
10	Former Government Officials	Purposive

Source: Fieldwork (2022)

In addition, focus group discussants were constituted in the Gondama and Gbonje communities and were purposively selected. They involved male and female community members. In Gondama and Gbonje, two group discussions were conducted with key informants selected from community groups already in existence. These discussants were purposively selected as they have been in the communities and are affected by the bauxite mining operation. In addition, the discussants are representatives of their groups in the Community Development Committee. In order to manage the process of conducting the focus group discussion, each group comprised between 5-7 members. The distribution of the group discussions is indicated in Table 8.

**Table 8: Distribution of Group Discussions in Study Communities**

Community	Chief/elders	Youth Groups	Landowning Families	Farmers' Association	Total
Gondama	1	2	2	2	7
Gbonje	1	2	2	2	7
Total	2	4	4	4	14

Source: Fieldwork (2022)

### Sources of Data

Data needs for the study basically focus on the dynamics of stakeholder participation, factors that explain institutional arrangement along the bauxite mining value chain, the effects of stakeholder participation and institutional arrangements on development and the emerging patterns of stakeholder participation and institutional arrangement. All information was qualitative and derived from a variety of sources in accordance with the interpretivist paradigm's ontological, epistemological, and axiological presumptions. Primary data and secondary sources were utilised to compile the study's findings.

Using an interview guide, a focus group discussion guide, and an observation checklist, primary data were purposefully obtained from respondents for the research. Government representatives, mining company managers, local stakeholders, donor representatives, employees of for-profit companies, members of civil society groups, and academics were consulted for the data. Individual and focus group interviews as well as in-depth individual interviews were conducted. The emphasis of the observation was on signs of physical infrastructure. Secondary sources included articles in journals, newspapers, magazines, official government and development partner reports,

as well as pieces that were published and unpublished. Additionally, libraries and internet searches were used to gather information.

Table 8 presents a summary of the research objectives, data issues, types of data, sources, methods of collection and instruments.



**Table 9: Data Collection Summary**

Objectives	Key variables	Types of data	Data Sources	Method of data collection	Instruments
1.Examine the dynamics of stakeholder participation in the bauxite mining sector	Stakeholder participation along the bauxite value chain, level of coordination among stakeholders, challenges of stakeholder participation.	Qualitative	Primary & secondary	Interview, focus group discussion and documentary review.	Interview/focus group discussion/documentary review guides
2.Explore the institutional arrangement in the bauxite mining sector	The role of various institutions along the bauxite value chain and the level of coordination among institutions.	Qualitative	Primary & secondary	Interview, focus group discussion and documentary review.	Interview/focus group discussion/documentary review guides
3.Analyse how stakeholder participation and institutional arrangement in the bauxite mining sector contribute to development	Observation of the schools, roads, health facilities within the Gondama and Gbonje communities.	Qualitative	Primary & secondary	Interview, focus group discussion, documentary review and observation.	Interview/focus group discussion/documentary review guides & observation checklist
4.Explore the potential for enhanced collaboration of stakeholders and institutional arrangement to facilitate development from bauxite mining.	Stakeholders and institutions collaborative activities in facilitating development	Qualitative	Primary & secondary	Interview, focus group discussion, documentary review and observation.	Interview guides, focus group discussion guide & observation checklist



## Data Collection Instruments

Since this is a qualitative study, the instruments that were used to collect data were interview guide, focus group discussion guide, observation checklist and documentary review guide. The interview and focus group discussion guides were created out of the objectives of the study. An interview guide was employed to collect data from local stakeholders like government officials, local community members, civil society organisations, academics, Sierra Minerals Holding-1 Limited managers and officials from development partners. A total of 60 interviews were conducted with the various stakeholders along the bauxite mining value chain.

The interview guide is appropriate for this study as it allowed informants to freely express themselves in giving their objective perspectives about stakeholder participation, institutional arrangements in the bauxite mining value chain and development in mining communities. Bernstein (2004) notes that one-on-one discussion can elicit more information from people than they will in a public forum. Information collected from the interview guide contained four themes based on the objectives of the study and covered issues on the dynamics of stakeholder participation, factors that explain institutional arrangement, the effect of stakeholder participation and institutional arrangements on development and the potential for collaboration to facilitate development from bauxite mining.

Furthermore, the instrument allowed the researcher and the respondents to seek clarification and clear doubts on contentious issues.

The focus group discussion guide is the second tool used to elicit data from two groups in Gondama and Gbonje communities, comprising seven

participants in each group. It included four topics based on the study's aims and provided the chance to gather a variety of viewpoints in one place while participants discussed the topic at hand in light of the goals of the study. Four group conversations with youth groups, women's organisations, landowners, senior citizens, council members, and opinion leaders were undertaken in the framework of this research. The replies from the interviews were supplemented by the group discussions, which provided the researcher with the rich and detailed data needed to fulfil the study goals.

Another tool used to gather data is the observation checklist. The observation included topics that are connected to development initiatives and act as benchmarks for progress in the major host towns. The researcher went to several sites with a representative of Sierra Minerals Holding-1 Limited to carefully examine the infrastructure already in place. This tool provides first-hand information of the progress being made on projects. Photographs of construction projects were also taken with a digital camera. A documentary review is the last data gathering method used in this research. Documentary review is a way of gathering data by reviewing the existing scholarship on the subject matter.

### **Ethical Considerations**

According to Gravetter and Forzano (2006), researchers must be truthful and considerate to everyone whose lives are touched by their work. Before collecting data from participants in the field, the researchers in this study sought and received approval from the University of Cape Coast's Institutional Review Board (IRB). By granting the researcher ethical approval, the Board demonstrated that it had reviewed the study methodology and concluded that it

did not breach accepted ethical standards. This researcher abided by standard ethical principles of informed consent and confidentiality in line with UCC guidelines. The researcher also obtained an introductory letter from the Department of Integrated Development Studies of the School for Development Studies, UCC. The introductory letter served as my entry point to all key informants and focus group discussants.

In any formal or informal interaction with key informants, appropriate steps are taken to ensure that the research agenda is clearly understood. In addition, the duration of the interview was indicated, the format of the interview was explained and permission was sought from key informants to record the interview. Furthermore, interviewees clarified any doubt about the interview before it commenced. With regards to confidentiality, each respondent was informed about their rights to anonymity and confidentiality and other compliance measures with ethical boundaries such as respect of privacy, avoidance of harm and deception will be guaranteed to all respondents if they agree to participate in the study. During the course of the fieldwork, none of the participants suffered any physical or psychological harm.

### **Community Entry**

Community entry was done in phases. In the first phase, the researcher undertook a visit to the offices of the National Mineral Agency, the Ministry of Mines and Mineral Resources in Freetown, and the Moyamba District Council in Moyamba town. The researcher also presented the introductory letter to these key institutions. The visit to the NMA and MMR was to introduce the researcher and research assistant and to gain access to the management of SMHL, whilst the visit to the MDC was to gain access to the Paramount Chiefs,

Councillors and community members to ensure successful and effective data collection. The introductory letter was also sent to SMHL operation office at Gondama. In the second phase, the researcher and research assistant visited the Moyamba District Council, Gondama and Gbonje, to collect data and the success was as a result of these initial contacts made with the mining community gatekeepers.

### **Fieldwork**

The fieldwork commenced on 1<sup>st</sup> May 2022 and lasted for nine weeks, providing the researcher enough time to contact all the relevant stakeholders. An introductory letter from the Department of Integrated Development Studies was delivered to all selected institutions and stakeholders. Following that, the researcher made appointments to schedule interviews with respondents in their various locations. The first phase of the data collection was the conduct of key informant interviews in Freetown with key informants and lasted for 42 days. Sixty-one key informant interviews were conducted in Freetown.

The key interviews were conducted in offices of the key informants, while the FGDs were held in Gondama and Gbonje communities. Documentary sources such as legislations and agreements governing the bauxite mining sector, mining policy papers, mining reports from both state and non-state actors. An observation checklist was also used for triangulation purposes. Multi-purpose complex, health centres, schools, farms, markets and hospitals among other things were observed. The second phase also involved the conduct of 5 key informant interviews in Moyamba town and Gondama plant site and 2 focus group discussions in Gondama and Gbonje communities. The second phase



lasted for 12 days. Provision was made in both phases to discuss lessons learnt and make adjustments where necessary.

### **Fieldwork Challenges**

The major challenge was the restriction in interaction due to the corona virus epidemic and shortage of fuel products due to frequent changes in the pump price. These frequent changes resulted in hoarding of petroleum products and delayed travelling to primary host communities and the operational site of SMHL.

To minimise the spread of the corona virus, the researcher provided facemasks for all respondents where it was not available. Where face-to-face interaction was impossible, the researcher conducted the interview virtually. It was also surprising that many respondents, especially employees of government institutions, did not want to be recorded on tape. Another challenge was the time it took to get clearance to visit the operational site of Sierra Minerals Holding-1 Limited as the administrative office is based in Freetown. I needed to receive clearance from the operational site, through the administrative office, before I proceeded on my visit to interview officials.

### **Data Processing and Analysis**

In any qualitative study, the data collection and analysis occur concurrently. The interviews and focus group discussions generated the qualitative data needed for this study. The responses from interviews and focus group discussions, guided by the research questions, were transcribed, categorized into appropriate themes, analysed and presented in narrations and quotations. Thematic analysis provides an opportunity to understand the issues more broadly. As Marks and Yardley (2004) note, thematic analysis moves

beyond counting explicit words or phrases and focuses on identifying and describing both implicit and explicit ideas.

**Table 10: Data Processing Techniques**

Research Objectives	Research question	Analytical procedure(s)
Examine the dynamics of stakeholder participation in the bauxite mining sector	What are the dynamics of the stakeholder participation along the bauxite mining value chain in Sierra Leone?	Thematic analysis was used to analyse qualitative data after transcribing interviews and group discussions.
Explore the institutional arrangement in the bauxite mining sector	What factors explain the institutional arrangement in the bauxite mining sector?	Thematic analysis was used to analyse qualitative data after transcribing interviews and group discussions.
Analyse how stakeholder participation and institutional arrangement in the bauxite mining sector contribute to development	How do stakeholder participation and institutional arrangement in the bauxite mining sector contribute to development?	Thematic analysis was used to analyse qualitative data after transcribing interviews and group discussions. Observation of development to show evidence.
Explore the potential for enhanced collaboration of stakeholders and institutional arrangement to facilitate development from bauxite mining	What is the potential for enhanced collaboration of stakeholder participation and institutional arrangement to facilitate development from bauxite mining?	Thematic analysis was used to analyse qualitative data after transcribing interviews and group discussions. Observation of development to show evidence.

Source: Fieldwork (2022)

In examining the dynamics of stakeholder participation in the bauxite mining sector, the study makes use of thematic analysis to analyse the set of transcribed interviews and focus group discussions. According to Braun and Clark (2006), thematic analysis enables the researcher to identify themes and determine what patterns, or lack of them, contribute to answering the research question. Information collected from the interviews and focus group discussions

were transcribed from audio to readable format to generate codes and themes related to the research questions. Furthermore, exact quotes from the key informants and focus group discussants were incorporated in analysing the research questions. This was intended to give the research a voice, as it expresses their views and opinions.

Objective two, which sought to explain the institutional arrangement in the bauxite mining sector, is analysed using qualitative procedure, mainly thematic analysis. Data from interviews and focus groups are used in the research; a protocol for doing each was developed in advance. The qualitative material is transcribed and categorised based on the research questions' guiding themes. The research questions act as overarching themes, and any related topics are categorised under them.

In examining objectives three and four, the study also makes use of interviews and focus group discussions data from key informants and groups through the interview guide and focus group discussion guide where research questions guided the process. In addition, the study uses observation checklist to systematically document the evidence of development such as schools, roads, hospitals/health facilities in the primary host communities.

### **Chapter Summary**

The philosophical stances that support the study effort are covered in the first section of the chapter. The ontological, epistemological, and axiological viewpoints are specifically covered. The philosophical viewpoints of positivists, interpretivists, and pragmatics are also studied, along with the accompanying data and mixed quantitative, qualitative, and mixed methodologies.

The research methodology that concentrates on the case study design, which was used by 18 of the 19 empirical studies assessed, is the next point covered in this chapter. The study area's profile is then described, focusing on the place where bauxite mining is being done. The Gondama and Gbonje communities were included in the research. This chapter also covers the research design, with a focus on the philosophical ideas that guide the study. In the chapter, data gathering and study population are also discussed. The key tools for data gathering are the interview guide, focus group discussion guide, observation checklist, and documentary review guide. The sampling technique and tools utilised are also covered in this chapter.

This chapter also covers the difficulties that were faced when doing the fieldwork. The actual fieldwork took place between May 1 and June 30, 2022. In this chapter, data processing and analysis are also covered. Before entering the field, I obtained clearance from the University of Cape Coast's Institutional Review Board (IRB), and the informed permission of the respondents was also obtained.



## CHAPTER FIVE

### DYNAMICS OF STAKEHOLDER PARTICIPATION ALONG THE BAUXITE MINING VALUE CHAIN

#### **Introduction**

This chapter is dedicated to discussing the problems associated with the study goal, which looks at the dynamics of stakeholder engagement throughout the value chain of bauxite mining. The conceptual framework that underlies this research and relevant literature have both been properly cited in the discussion of the results. Three parts make up the chapter. The first presents the information about the key informants, followed by the analysis of two key dimensions on: (a) the mapping of the various stakeholders along the bauxite mining value chain; and (b) the factors that influence stakeholder participation along the bauxite mining value chain. Objective one is analysed based on interviews and focus group discussions with key informants supported by secondary sources. The stakeholder theory, resource curse theory as well as the institutional theory form the foundation for the analysis of objective one.

#### **Information about Key Informants**

This section presents information about the key informants. The importance of presenting this information is part of an attempt to understand the key informants, who they are and the role of their institutions in the bauxite mining value chain. Key informants from the various categories were sampled purposively. The study involved a total of 66 key informants sampled from various stakeholders among the study population. These key informants were selected in order to obtain a holistic understanding of stakeholder participation along the bauxite mining value chain. These 66 key informants comprised

officials from government institutions, Parliament, CSOs, CBOs, SMHL, private sector firms, academic institutions, DPs, former government officials and community members. The information of each of these key informants are discussed separately.

The government institutions sampled were made up of institutions that have specific roles in managing and regulating the mineral sector. In total, 29 government officials from various institutions were interviewed for the study. These officials have had long years of working experience in their institutions with particular remit on the mineral sector to provide information relevant to the study. Fourteen members from the two mining communities (Gondama and Gbonge) including Paramount Chiefs, traditional leaders, youths were involved in two focus group discussions. There were seven community members for each of the focus group discussion in Gondama and Gbonje.

The CSOs and CBO sampled were made up of non-state actors who are partners in supporting government's programmes to enhance communities' social, environmental, cultural and economic well-being. In total six officials from CSOs and two officials from CBOs were interviewed. The Parliamentary Committee on Mines comprises seven members and is responsible for oversight over government institutions managing and regulating the mineral sector. In addition, the committee is responsible for pre-legislative hearings of any bill relating to the mineral sector before it is tabled in Parliament. Two members of this committee were interviewed for the study. Former government officials have institutional memory of the various government institutions where they worked. Three former government officials were interviewed for this study.

Since the end of the civil conflict, DPs like the International Monetary Fund, African Development Bank, World Bank and German Technical Cooperation have been providing financial and technical support to the mineral sector. Two officials from DPs were interviewed for the study. The academia and private sector firms have also been providing consultancy services like environmental and social impact assessments to various mining companies. Two officials from the academia and three officials from the private sector were interviewed for the study. SMHL is the only large-scale bauxite mining operation in Sierra Leone; three company officials were interviewed for the study. Table 11 illustrates the stakeholders and the key informants that were interviewed from each stakeholder.

**Table 11: Key Informants in the study**

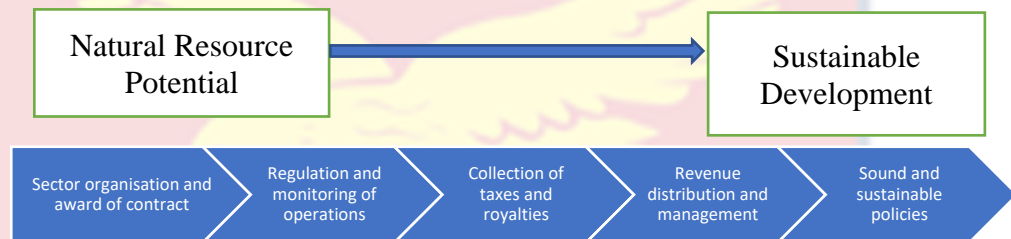
	Unit	Number
1	Central Government Institutions	24
2	Moyamba District Council	5
3	Parliamentary Committee on Mines	2
4	Sierra Minerals Holding 1 Limited	3
5	Development Partners	2
6	Fourah Bay College	2
7	Private Sector Firms	3
8	Civil Society Organisations	6
9	Community Based Organisations	2
10	Former Government Officials	3
11	Community members	14
	<b>Total</b>	<b>66</b>

Source: Fieldwork (2022)

### **Mapping Stakeholders in the Bauxite Mining Value Chain**

This subsection looks at stakeholders that exist along the bauxite mining sector. It also considers the influence and interest of the various stakeholders along the bauxite mining value chain. The analysis in this section is based on the conceptual framework, the Mines and Minerals Act, 2009, and Alba's

(2009) categorisation of the extractive industries value chain, which encompasses institutional arrangements across five key dimensions (Figure 4), interviews with key informants as well as empirical literature. How stakeholders interact in each of these dimensions are fundamental in translating natural resource potential into sustainable development (Barma *et al.*; 2012).



**Figure 4: Mineral Resource Management Value Chain**

Source: Alba (2009)

Key informants revealed that the key stakeholders in the bauxite mining sector in Sierra Leone are government (central and local) institutions, primary host communities, development partners, civil society organisations, community-based organisations, development partners, Sierra Mineral Holdings-1 Limited (SMHL), private sector and academia. Freeman (1984) defined stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Although there are numerous stakeholders identified in this study, key informants indicate that not all of them are active participants along the bauxite mining value chain. To understand the interest and influence of stakeholders, the modal values from key informants have been presented in Table 12.



**Table 12: Listing of Key Stakeholders along the Bauxite Mining Value Chain**

<b>Bauxite mining value chain</b>	<b>Stakeholders</b>	<b>Interest</b>	<b>Influence</b>	
Award of contract and licenses	Ministry of Mines and Mineral Resources (MMMR)	High	High	
	Ministry of Finance (MoF)	High	High	
	National Mineral Agency (NMA)	High	High	
	National Revenue Authority (NRA)	High	Low	
	Environmental Protection Agency (EPA)	High	Low	
	Ministry of Agriculture and Forestry (MAF)	High	Low	
	Ministry of Trade and Industry (MTI)	Low	Low	
	Moyamba District Council (MDC)	High	Low	
	Ministry of Lands and Country Planning (MLCP)	Low	Low	
	Parliament	High	Low	
	Sierra Minerals Holding 1 Limited (SMHL)	High	High	
	Ministry of Water Resources (MWR)	High	Low	
	Primary Host Communities (PHCs)	High	Low	
	Traditional Leaders (TLs)	High	Low	
	Land Owners (LOs)	High	Low	
	Regulation and monitoring of operations	Ministry of Mines and Mineral Resources	High	High
		Ministry of Finance	Low	Low
National Mineral Agency		High	High	
National Revenue Authority		High	Low	
EPA		High	High	
Ministry of Agriculture and Forestry		Low	Low	
Moyamba District Council		High	Low	
Parliament		High	High	
Sierra Minerals Holding 1 Limited		High	High	
Ministry of Water Resources		High	Low	
National Protected Area Authority		High	Low	
Civil Society Organisation		High	Low	
Primary Host Communities (PHCs)		High	Low	

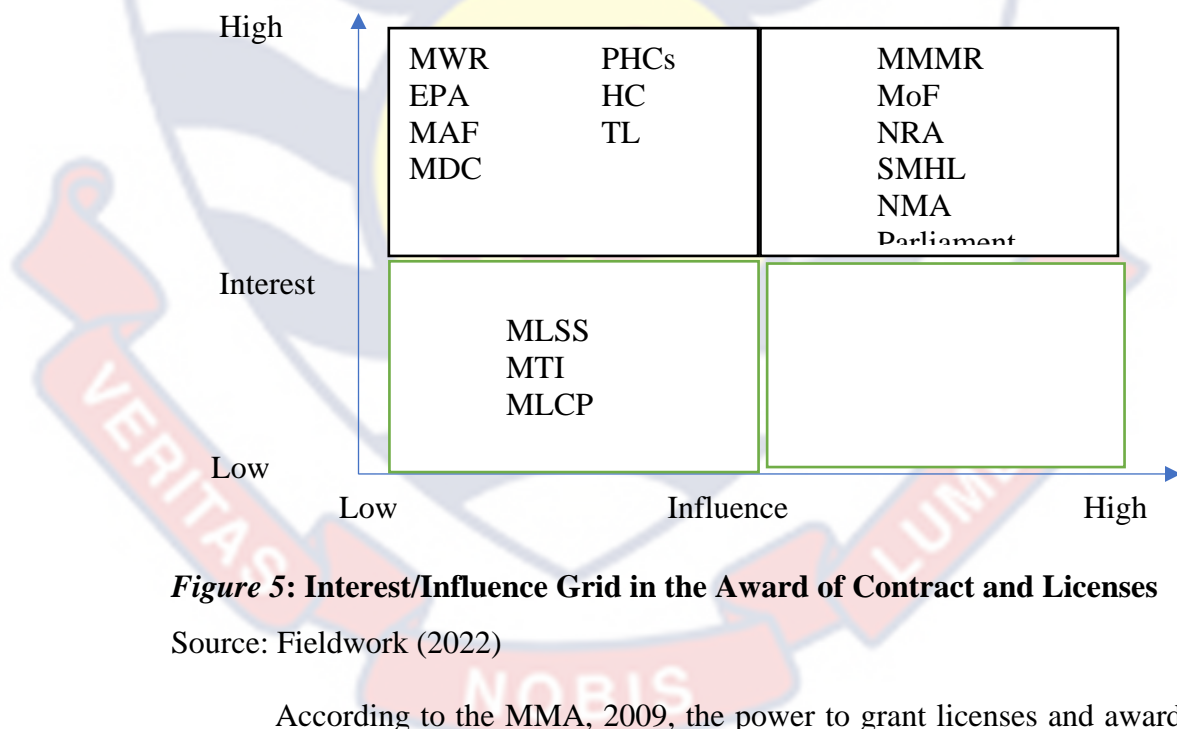
Table 12 continued

Collection of taxes and royalties	Traditional Leaders	High	Low
	Land Owners	High	Low
	Ministry of Mines and Mineral Resources	High	High
	Ministry of Finance	High	High
	National Mineral Agency	High	High
	National Revenue Authority	High	High
	Environmental Protection Agency	Low	Low
	Moyamba District Council	High	Low
	Sierra Leone Extractive Industries Transparency Initiative (SLEITI)	High	High
	Sierra Minerals Holding 1 Limited	High	High
	Parliament	High	Low
Revenue management and allocation	Ministry of Mines and Mineral Resources	High	Low
	Ministry of Finance	High	High
	National Mineral Agency	High	High
	National Revenue Authority	High	Low
	Environmental Protection Agency	High	Low
	Moyamba District Council	High	Low
	Bank of Sierra Leone	High	Low
	Parliament	High	High
	Primary Host Communities (PHCs)	High	Low
	SMHL	High	High
	Land Owners	High	High
Implementation of sustainable development policies and projects	Ministry of Mines and Mineral Resources	Low	Low
	Ministry of Finance	High	High
	Ministry of Planning and Economic Development	High	High
	Bank of Sierra Leone	High	Low
	National Mineral Agency	High	Low
	Environmental Protection Agency	High	Low
	Moyamba District Council	High	Low
	SMHL	High	High
	Parliament	High	Low
	Primary Host Communities (PHCs)	High	High
	Traditional Leaders	High	Low
Landowners	High	Low	

Source: Fieldwork (2022)

Key stakeholders in the award of contract and license

After listing the different stakeholders in the bauxite sector, they were classified into two categories: stakeholders with interest and stakeholders with influence in the bauxite mining sector based on the grid developed by Famiyeh (2017). Figure 5 depicts the views of key informants about stakeholders in the award of contract and licenses. Key informants averred that the key stakeholders in the award of licenses and contracts are the MMMR, MoF, NRA, NMA, SMHL and Parliament. These stakeholders are highly interested in bauxite mining and command high influence in the award of contract and licenses. Other key informants reported that although MAF and EPA are important stakeholders, their influence in this phase is very low.



**Figure 5: Interest/Influence Grid in the Award of Contract and Licenses**

Source: Fieldwork (2022)

According to the MMA, 2009, the power to grant licenses and award contracts lay with the Minister of Mines and Mineral Resources based on recommendations from the Mineral Advisory Board (MAB), while the Ministry of Finance and the NRA are responsible for determining the fiscal regime that

will be applicable to the sector. According to Section 11 of the MMA, 2009, the MAB is the main advisory body to the Minister on issues ranging from granting of licenses to reviewing provisions in the Act. A key informant from the National Revenue Authority, who is a member on the MAB, noted that the lack of community representation in the Board means the views of the local communities are not heard. The key informant opined that local communities are only informed of the decision to award contracts. This finding reflects the aspect of the conceptual framework that shows that degree of tokenism has an impact on the achievement of development (Devas & Grant, 2003).

This finding is consistent with the opinions of a key source from the CBO and the business sector. Although local communities have a keen interest in the awarding of licences, their engagement in the decision-making process has been rather low, according to the CBO's primary informant. This demonstrates how little influence residents have on decision-making and how little engagement they have in licencing mining activities that impact them (Maconachie, 2008). The key informant from the private sector stated that the MAB limits the participation of key stakeholders in the decision-making process by excluding the Parliament, Ministry of Water Resources, Ministry of Agriculture and Forestry, Ministry of Land and Country Planning, the Judiciary, and the media.

A key informant from the Environmental Protection Agency (EPA) noted that the Agency has the mandate to undertake environmental and social impact assessments (ESIAs). However, because the Agency lacks political capital with the Executive, the ESIAs have had little bearing on the decision of the Mining Advisory Board in providing recommendations to the Minister of



Mines to grant licenses. Fanthorpe and Gabelle (2013) reported similar findings that the EPA was unable to prevent the issuance of an exploration license with a national park in to a mining company in Sierra Leone. These findings show that other important stakeholders are essentially non-participative in the decision making process in the award of contracts and licenses. This situation is consistent with the aspect of the conceptual framework that shows that nonparticipation will impact on the achievement of development.

The low influence of traditional leaders can have adverse social and economic consequences on their communities. Focus group discussants in Gbonje and Gondama noted that, traditional leaders are responsible for ensuring development and improving the welfare of their constituents. Their low influence in discussions relating to the granting of licenses in their community undermines their authority. Furthermore, some lands are ancestral lands and families have depended on them for livelihood for decades. The removal of families from ancestral land to another local can have adverse social and economic consequences like reduction in farm size for cultivation (Batty, 2013). In addition, cultural activities have been carried out in some of these lands for decades and communities have been unable to undertake their cultural norms when relocated to another location.

Technically, the Mines and Minerals Act, 2009, clearly outlines the procedures for the granting of license and award of production contracts. Key informants were of the view that there is minimal participation of other stakeholders in the process of granting licenses and award of contracts. They revealed that decision-making in the award of contracts and licenses is not transparent as most decisions on the process are taken by the Minister of Mines

and Mineral Resources. For instance, Dartey-Baah *et al.* (2008) assert that the Ministry of Mines is very powerful and influential in the award of licenses in Ghana. It also appears to agree with Tenkorang's (2021) view that state institutions are influential in the granting of licenses in Ghana. The finding is also in line with the tenet of resource curse theory that mineral resource abundance in LDCs tend to generate negative development, including ineffective governance (Rosser, 2006).

Focus group discussants in Gondama believed that some of the other stakeholders were less influential and less interested in the award of contracts and licenses because of the excessive centralised decision-making process driven by the executive. They said that even after the end of the civil conflict in 2002, centralised decision making by the executive led to the award of production contracts for bauxite mining in 2005 without the involvement of the Moyamba District Council and primary host communities. The issue the discussants raised borders on poor governance, which was one of the major factors that was identified as being responsible for the civil conflict. The mining communities felt neglected in terms of development projects despite the fact that their regions were making significant contribution to domestic revenue mobilisation.

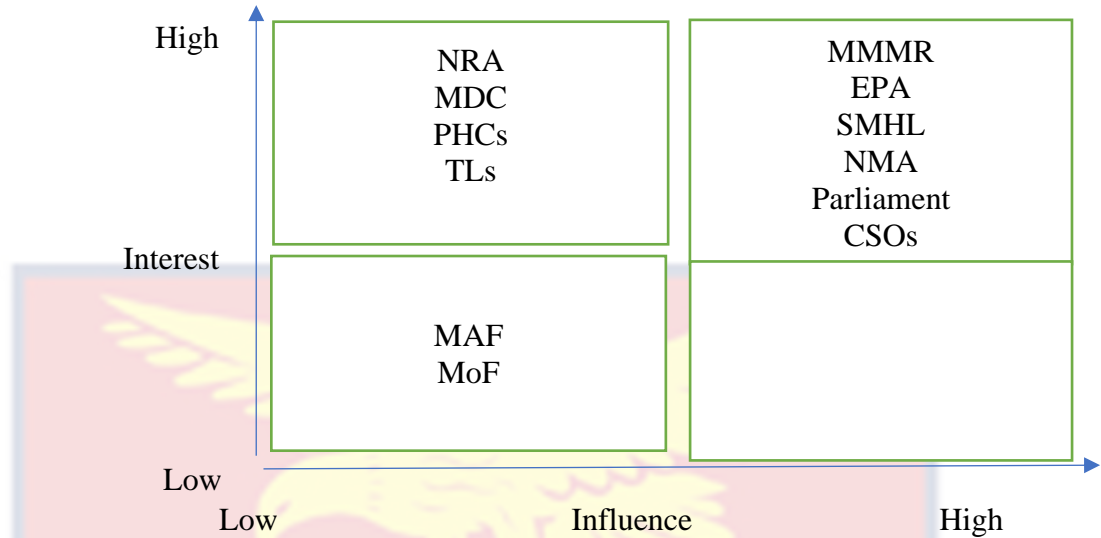
This suggests that executive dominance highlights the vulnerability in the mining sector governance that result in tokenistic participation by some stakeholders. This finding is similar to the finding of Ayee *et al.* (2011) and Doro and Kufakurinani (2017) that there is little participation of other stakeholders as the executive exerts a lot of influence in the allocation of licenses and award of contracts in Ghana, Uganda and Zimbabwe respectively. The finding also shows that as per the linkages in the conceptual framework,

without stakeholder participation, it will be difficult to ensure successful development.

#### Key stakeholders in the regulation and monitoring of operations

As evident in Figure 6, key informants from government institutions indicated that the stakeholders with high interest and high influence in the regulation and monitoring of operation phase are the MMMR, EPA, NMA, CSOs and Parliament. They pointed out that the EPA, NMA and Parliament have been very active in monitoring mining operations and its impact on the environment. The key informants explained that prior to the establishment of the EPA and NMA, monitoring visits were only undertaken by Parliamentarians, MMMR and some CSOs. However, since the establishment of EPA and NMA and the enactment of regulations defining their roles, there has been an increase in effort to enforce compliance through monitoring visits.

This finding indicates that there is some form of institutional predictability and coordination in monitoring the operation of mineral extraction. Although Parliament has the legislative oversight responsibility for monitoring the mineral sector, the EPA has the technical capacity and will be in position to highlight challenges and make suggestions for addressing them. This result supports the finding of Famiyeh (2017) that the EPA and Parliament are critical stakeholders in the regulation of the mineral sector in Ghana.



**Figure 6: Interest/Influence Grid in Regulation and Monitoring of Operations**

Source: Fieldwork (2022)

Key informants from government institutions also opined that the institutional mandates of various government institutions regulating and monitoring the mineral sector should be clearly defined and it is imperative that these institutions are capacitated with material and human resources. They indicated that, although there are numerous regulations to manage and regulate the bauxite mining sector, collaboration among government institutions in the formulation of regulations has been poor. The entity in charge of formulating the regulation would have decided on the content. Hence, collaboration with other government institutions is merely an information sharing and consultation process. This lack of effective collaboration is considered one of the main reasons why institutions regulating the mineral sector clash in relation to their mandates.

Focus group discussants in Gbonje and Gondama agreed with this view and observed that various government institutions visit their communities



claiming to have the mandate over a particular issue. A key informant from the EPA indicated that:

Although the Mines and Minerals Act, 2009, is the overarching legislature of the mineral sector, several other institutions are governed by legislations which were enacted before 2009 and gave authority to these institutions to regulate and monitor certain aspects of the mineral sector. It was an error not to make reference to other legislations that have an impact on mining operations or even subsume them into MMA, 2009. For example, there have been instances where officials of the Environmental Protection Agency and the National Protected Area Authority have had disagreement about how dust pollution along mining communities should be reported or addressed. Such disagreement create challenges for the mining company with regard to responding to issues raised by different government institutions (Key Informant from the Environmental Protection Agency, Freetown, 13<sup>th</sup> May 2022).

The quotation above shows that there has been lack of institutional collaboration in the formulation of regulations and this has resulted in challenges among institutions monitoring and regulating mining operations. Unclear legislative roles among institutions mean that no one institution has a clear responsibility for monitoring environmental issues and hence, no one institution can be held accountable.

This finding is also consistent with Mzembe and Meaton's (2013) assertion that the existence of several legislations to regulate environmental governance in the Malawian mineral sector created disagreements among various government institutions. Furthermore, Muromba (2021) reports similar finding that poor monitoring of operations in the mineral sector in Zimbabwe is as a result of overlapping regulatory functions of different institutions.

However, this finding shows that as per the relationships in the conceptual framework, when there are challenges in institutional arrangements, the linkage with stakeholder participation will be difficult to achieve, and hence, development will not likely occur.

Focus group discussants in Gondama and Gbonje revealed that they play little role in the regulation and monitoring of the operations of bauxite mining. They explained that even though concerns are expressed over issues like water pollution and road safety, they lack the power to ensure that their views are heeded by the relevant authorities. Phiri et al. (2018) found similar results in Zambia where as a result of power asymmetries, the mining companies appear to dictate how they can operate without incorporating the views of other stakeholders. There are no follow-ups and hence, there is little possibility of seeing any improvement in their areas of concern. This finding reflects the aspects of the conceptual framework that suggests that nonparticipation of stakeholders generate negative consequences for achieving development.

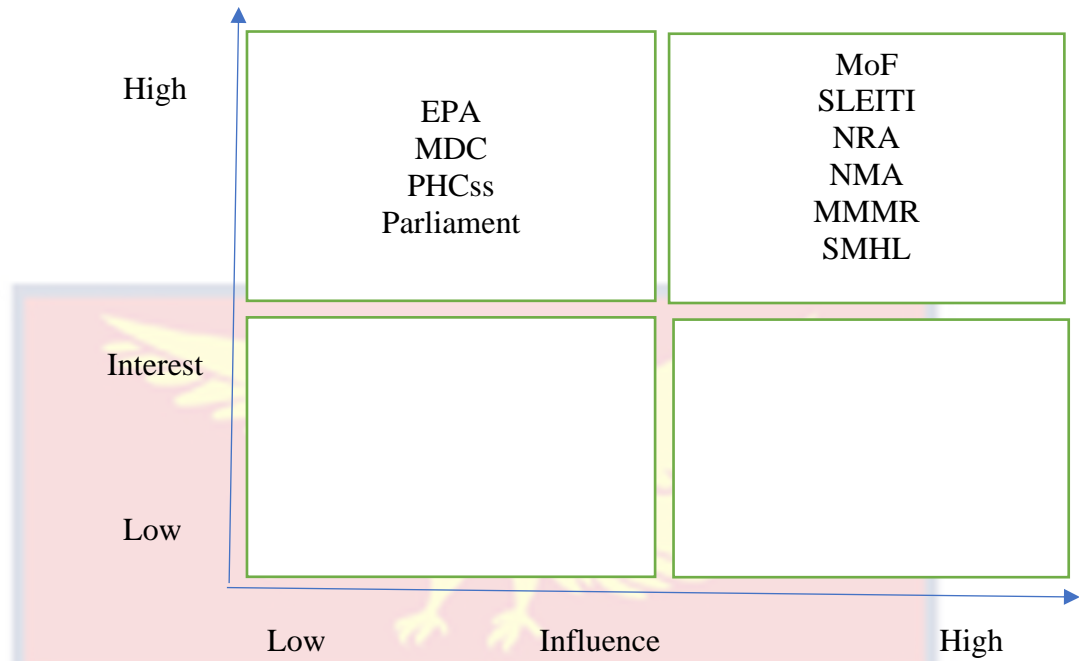
#### Key stakeholders in the collection of taxes and royalties

Responses from key informants, as shown in Figure 7, reveal that the stakeholders with high interest and high influence in the collection of taxes and royalties are the MoF, NRA, NMA, MMR and the SLEITI. An official of a CSO stated that the collection of taxes and royalties is an important aspect of citizenship and governance and as such the participation of other stakeholders is critical to ensure transparency and accountability in government spending. This finding also relates to the results reported by Lajula, Brunnschweiler and Edjekumhene (2020) that once citizens gain information, they are predicted to use it to demand better resource governance. A key informant from the NRA

revealed that the Authority has sole responsibility for collecting mineral revenue from the mining company. However, revenue data is shared with MoF, MMMR, NMA and SLEITI, and is used by SLEITI to reconcile data from the mining company.

A key informant from a youth organisation in Gondama (7<sup>th</sup> June, 2022), opined that bauxite extraction is exhaustible and as such mechanisms should be in place for other stakeholders to collaborate with government to maximise revenue collection. In his view, having only government institutions in control of collecting taxes and royalties does not give citizens any power in decision-making. This finding demonstrates that the lack of transparency in the mining sector is a major concern and has been attributed as a major factor leading to the outbreak of the civil conflict in 1991 (Abdullah, 1997; Reno, 1995).

Focus group discussants at Gondama agreed with this view and observed that stakeholders at the local level are not aware about how the types of mineral revenues collected by the government. Furthermore, they were of the view that the distribution framework for surface rent was done without adequate consultations with all relevant local stakeholders. The consultation process was described as a one-way flow of information with no channel provided for feedback. Focus group discussants were of the view that having accurate information about mineral revenue is a key determinant in ensuring effective participation. This non-awareness appears to present a situation which reflects the relationship described in the conceptual framework that lack of structures and processes are hindrances to stakeholder participation.



**Figure 7: Interest/Influence Grid in the Collection of Taxes and Royalties**

Source: Fieldwork (2022)

According to key informants, the major role of these institutions with high interest and influence is to ensure that the fiscal regime is progressive so as to enable the government get a fair share of the resource rent generated. The key informants from government institutions noted that the generous fiscal concessions given in the various bauxite mining agreements over the years prevented the government from getting a fair share of the resource rent generated because the executive took over the negotiation process for mining lease agreements. Doro and Kufakurinani (2017) reported similar results in Uganda and pointed out the mining companies benefited from generous fiscal concessions mainly due to the executive taking control of the negotiation process.

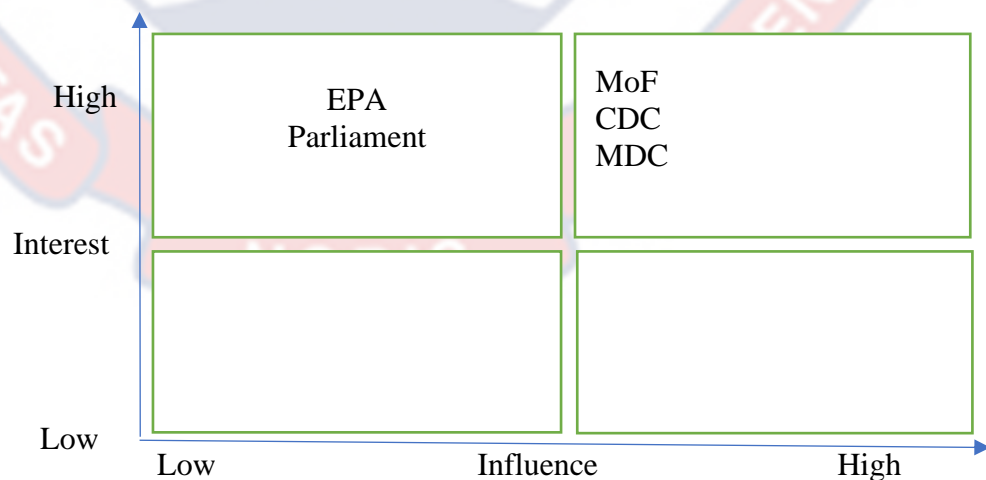
Focus group discussants in Gbonje also observed that despite the favourable price of bauxite, surface rent payments to landowners and other stakeholders have remained the same in 2018, 2019, 2020 and 2021. They



attributed this to their non-involvement in the negotiation process and the failure of government to take into consideration best practices when determining the price per acre of land. The finding corroborates Gbadamosi’s (2020) view that landowners at Kyekyewere, in Ghana, get very little in return for their lands due to the generous concessions given to the bauxite mining company.

Key stakeholders in the management and distribution of mineral revenue

Figure 8 illustrates the views of key informants about stakeholders in the management and distribution of mineral revenue. The results show that the Ministry of Finance, CDC and SMHL are highly interested and influential in the management and distribution of mineral revenue. This finding is consistent with the claim by International Monetary Fund (2012) and Lajula and Narh (2019) that in Chile and Ghana, the Ministries of Finance, have been critical in overseeing the fiscal management of mineral revenue. However, in Botswana, it is the Central Bank that is highly interested and influential in the distribution and management of mineral revenue (Leigh & Garcia-Verdu, 2012). Thus, different institutions in different countries can be highly influential and interested in the management of mineral revenue.



**Figure 8: Interest/Influence Grid in the Management and Distribution of Revenue**

Source: Fieldwork (2022)

During an interview with a key informant from the land owners' association in Gbonje (8<sup>th</sup> June, 2022), the key informant noted that at the central level, the Ministry of Finance should not be solely responsible for the distribution and management of mineral revenue. The key informant explained that other stakeholders like the Central Bank and the Ministry of Planning and Economic Development should be involved in the management of mineral revenue. Focus group discussants in Gondama alluded to the fact that the lack of stakeholder participation in revenue distribution and management has been one reason why Sierra Leone has been unable to effectively translate its mineral endowment into inclusive form of development.

Similarly, a key informant from the Ministry of Planning and Economic Development (MoPED) shared the same view that:

The conversion of mineral revenue into development with meaningful stakeholder engagement still remains a challenge. The Ministry of Finance remains the key institution in the management and distribution of government revenue and unilaterally set expenditure ceilings for Ministries, Departments and Agencies (MDAs). Furthermore, there is no clearly defined mechanism to promote socio-economic development in the mining communities. Since the resumption of bauxite mining in 2005, royalty payments to the Consolidated Revenue Fund (CRF) are estimated at US\$ 14 million. However, as the Ministry responsible for implementing capital projects, we cannot point to a single development project in the host community that was financed from the CRF (Key Informant from MoPED, Freetown, 5<sup>th</sup> June 2022).

It could be inferred from the quote above that there is an apparent lack of stakeholder interaction in the management of revenue and that mineral revenue has not had any meaningful impact on development. This situates well

within the tenet of the resource curse theory that countries with mineral resource abundance experience adverse development (Badeed *et al.*, 2017, Rosser, 2006). The views also fall in line with the finding reported by Lajula and Narh (2019) that the existence of an Act to guide revenue distribution and management has not led to improved social and economic outcomes in mining communities in Ghana. This supports the aspect of the conceptual framework that shows that lack of stakeholder participation may jeopardise the achievement of development in mining communities.

It is, therefore, clear that there has been very limited stakeholder participation in how mineral revenue is managed and distributed. A key informant from the private sector indicated that because there is no legal instrument for mineral revenue distribution, the Ministry of Finance has taken sole responsibility in allocating revenue as it sees fit without any consultation with other stakeholders. In Ghana, Lajula and Narh (2019) reported similar results that the Ministry of Finance determines when to disburse mineral royalties to various stakeholders. However, a key informant from the civil society explained that other mineral rich countries like Botswana and Chile have established institutional arrangements governing the management and distribution of mineral revenue and it has had a positive impact on development in these countries.

At the local level, the CDC and SMHL have high influence and high interest in the management and distribution of mineral revenue. However, a key informant from a CBO opined that consultation relating to the funds transferred from SMHL to the CDC is opaque. The key informant said:

As part of its contribution to community development, the mining company is expected to transfer one percent of its total sales in the previous year. However, for years we have been trying to engage the mining company to know their actual sales in the previous year. All they will provide is the amount of money given to the CDC but not how much sales was made (Key informant from CBO, 2<sup>nd</sup> June, 2022).

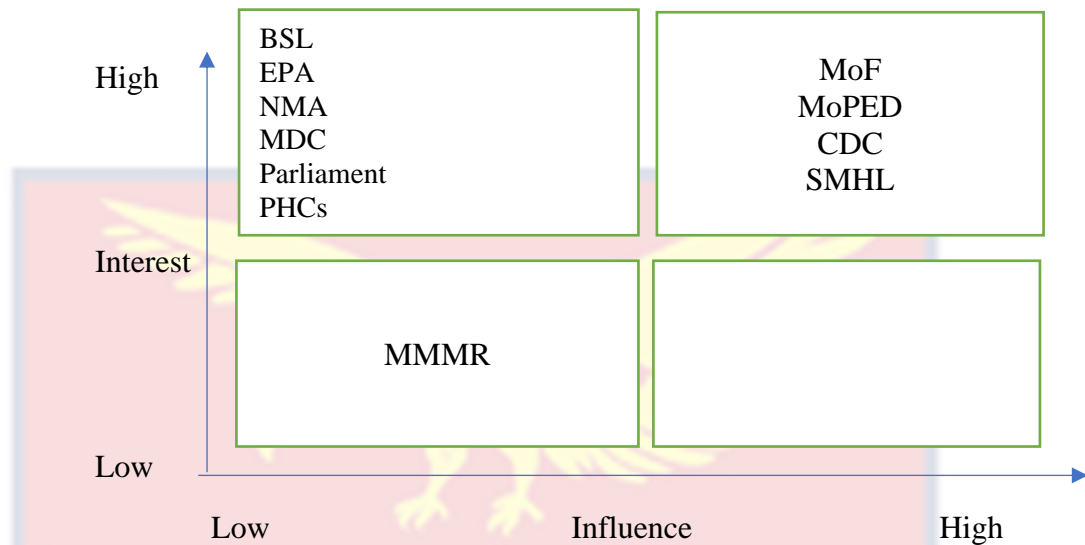
This is a clear indication that there is a one-way flow of information from the mining company to the CDC. Under such conditions, the local community does not possess all the necessary information to hold the mining company accountable. Focus group discussants in Gondama expressed their concern about the lack of transparency in disclosing sales value of bauxite. They also expressed their disappointment that the government has been unable to support them in forcing the mining company to disclose such information. It also appears to agree with the relationship described in the conceptual framework that low degree of citizen control may generate negative consequences for development.

Key stakeholders in the implementation of sustainable development projects

Evidence, as shown in Figure 9, indicates that the stakeholders that are highly interested and highly influential in the implementation of sustainable development policies and projects at the national level are the Ministry of Finance and the Ministry of Planning and Economic Development. A key informant from a government institution explained that translating revenue from bauxite extraction into successful development requires financial resources and the participation of key stakeholders in preparing the budget for capital expenditure, especially given the plethora of needs in developing countries. Korinek (2015) noted that the establishment of strong institutions and effective



stakeholder participation have been critical in Chile's success in managing mineral revenue.



**Figure 9: Implementation of Sustainable Development Policies**

Sources: Fieldwork (2022)

Key informants from a development partner and the private sector were of the opinion that having just two government institutions with control over the management and distribution of mineral revenue is not ideal. The key informant from the development partner raised questions about governance issues in decision-making when there are other stakeholders like the Central Bank that will contribute significantly in managing mineral revenue. The key informant from the private sector opined that the establishment of a platform as in the case of Chile will allow all stakeholders to be part of the decision-making process in the management and distribution of revenue (Korinek, 2013). This, he opined will not only improve transparency and accountability in the sector but will also ensure that citizens are empowered to exercise full control over the planning, policy-making and management of development projects.

Focus group discussants in Gbonje observed that there is disconnection between mineral revenue collected at the central level and developments at the

local level due to the failure of government to involve local stakeholders in assessing their needs and establish the funds enshrined in the PFM Act, 2016 to fund developmental projects. The finding also relates to the results reported by Phiri *et al.* (2018) and Zulu and Wilson (2012) that there are dysfunctional interactions among key stakeholders in the mineral sector in relation to the implementation of development projects in Zambia and Sierra Leone. The finding is also inconsistent with the philosophy of social justice which elucidates fair distribution of income and wealth in society (Olson, Reid, Threadgill-Gioldson, Riffe & Ryan, 2013).

At the local level, local communities through the CDC and SMHL have high influence and high interest in the implementation of development projects. Key informants from SMHL and MDC indicated that there is a bottom-up planning process as communities have control over which projects are to be implemented. They explained that the inclusion of projects in the annual budget approved by the steering committee is based on a needs assessment undertaken in various communities. The key informants indicated that there is an organised power base within communities and that the steering committee of the CDC is accountable to these communities.

Focus group discussants at Gondama also confirmed that communities are in control of choosing the type of projects that should be implemented by the CDC. They revealed that community members were encouraged to participate in the needs assessments to increase consensus ownership in support of local development. As such, their influence on decision-making in the planning, design and implementation of various projects is considered the main reason for the successful completion of projects. Focus group discussants

explained that ensuring successful implementation of development projects requires participation to be interactive and an effective two-way channel of communication between community members and the CDC.

Juxtaposing all the above findings from the various phases of the bauxite mining value chain show that, despite having numerous stakeholders in this phase, there are only six stakeholders that are influential and interested across the value chain. These are MoF, MMMR, NMA, NRA, Parliament and SMHL. The one institution that was not specifically mentioned as having high interest and high influence but which I deduced from separate interviews was the Office of the President. The concentration of power in the Office of the President under both the one-party and multiparty systems has undermined stakeholder participation in the bauxite mining sector. Officials in government institutions were afraid of losing their jobs and as such will go along with the wishes of the President.

### **Factors that Influence Stakeholder Participation Along the Bauxite**

#### **Mining Value Chain**

This section of the chapter examines the factors that influence stakeholder participation along the bauxite mining value chain. Literature discloses that the relevance of stakeholders in the mineral sector has increased over the last ten years (Leonard, 2017; Mzembe, 2014). Similarly, Ansu-Mensah, Marfo, Awuah and Amoako (2021) argue that pressure emanating from stakeholder groups in the mineral sector, such as CSOs and local communities have resulted in governments and mining companies changing their policies towards stakeholder participation in the mineral sector. In an earlier study, Devas and Grant (2003) noted that the involvement of

stakeholders at all levels, from local to national, enhances project effectiveness and is critical for ensuring success in resource management. In this respect, it is vital to know the factors that influence stakeholder participation along the bauxite mining value chain.

The degree of stakeholder participation along the bauxite mining value chain is a major determinant of success or failure and depends on certain factors. The factors identified in this study are informed by interpretation of the findings from interviews and focus group discussions with some of the stakeholders in the bauxite mining value chain and then supported by secondary sources. Responses from the interviewees indicated that the factors that influence stakeholder participation along the bauxite mining value chain in Sierra Leone are political interference, access to information and transparency and socio-economic conditions. The first factor that influences stakeholder participation along the bauxite mining value chain is political interference.

#### Political interference

Barma *et al.* (2012) note that political interference, throughout the value chain, is prevalent in mineral-rich developing countries. There is widespread belief that political interference has made it difficult for government institutions to effectively execute their mandates and for stakeholders to be involved in decision-making processes. During an interview with a key informant who is a retired civil servant, it emerged that officials at the Ministry of Mines had little say in the negotiation of mineral agreement in the post-independent period. This passage taken from field notes explains his assertion:

In the 1970s and 80s, we the civil servants at the Ministry of Mines will only receive instructions from the Office of the President to



limit the interaction of staff of the Ministry with mining companies. In the case of SIEROMCO, we will only hear that the Minister of Mines had signed a mining agreement or an amendment to the mining agreement without any contribution from the technical staff at the Ministry. Furthermore, the local communities were not involved in the negotiation process and under a one-party state. The first bauxite mining agreement was signed in 1963 and amended in 1972, 1974 and 1976, with each version containing additional fiscal concessions. Despite evidence pointing to the fact that the country was getting less from its bauxite exports, political interference meant nothing was done to hold the mining company accountable (Key Informant, Freetown, 8<sup>th</sup> May, 2022).

An analysis of the extract above shows that executive dominance was instrumental in the way stakeholders participate in the sector. With the executive making all the important decisions relating to the mineral sector, there is little scope for obtaining the views of other stakeholders who can affect or are affected by the operations of the mining company. The Presidency can establish new units or have Parliament ratify mineral agreements it had sanctioned. In addition, other stakeholders like Parliament, especially if the President's party dominates Parliament, will provide limited scrutiny on decisions made by the executive. Similar findings have been reported by other researchers (Ayee *et al.*, 2011; Doro & Kufakurinani, 2014) that Ghana and Uganda have experienced executive dominance in decision making in the mineral sector and the inability of Parliament to scrutinise mining legislations.

Besides the isolation of technical staff at the Ministry, key informants also cited a number of politically-induced decisions that were meant to limit transparency and accountability on bauxite mineral agreements. For example, the contents of the mineral agreements in 1972 and subsequent amendments in

1974 and 1976 were not in the public domain. Other key informants noted that the one-party system of government effectively empowered the President to centralise decision making about the mineral sector at the State House and this undermined the authority of other government institutions to regulate and manage the sector.

Key informants from government institutions pointed out that since the end of the civil conflict in 2002, political interference has led to poor preparation preceding the negotiation of bilateral agreements and improper representation during negotiations. In most cases, the politicians rather than technical staff are in charge of the negotiations. The key informants explained that, where existing laws are not going to be applied, it is imperative that the agreement negotiated is comprehensive and detailed. Furthermore, the technical staff attending the negotiation would have been told about the position of the government, and hence, have very little to offer during the negotiation.

Key informants from the academia and private sector also identified the constraint faced by oversight bodies like Parliament to properly scrutinise mineral agreements negotiated by the executive. Although, one of the functions of Parliament is to scrutinise mineral agreements in order to ensure that the country maximises its benefits from the extraction of bauxite, the key informant from the private sector was of the view that Parliament has failed to perform this function. According to the key informant from academia, Parliamentarians both under the one-party government of the APC and now under democracy are afraid to criticise or oppose fiscal incentives in mineral agreements for fear of losing their seats in Parliament in the next election given that the President is also the Head of their political party.

Key informants from a CSO and a development partner lamented on the complicity of Parliament in the state of play in the mineral sector. The key informant from the development partner explained that the same Parliament that enacts the laws to manage and regulate the mineral sector is the same Parliament that approves bilateral mineral agreements. The key informant added that the expectation was for Parliament to scrutinise these bilateral mineral agreements and ensure that the fiscal provisions are in line with existing legislation. The key informant from the CSO opined that the only way these bilateral agreements are approved by Parliament is as a result of pressure from the Executive. He added that selection of a Member of Parliament to important committees in Parliament is based on expressed loyalty to the Executive and its policy direction.

Similar sentiments were expressed by a key informant from a CSO. The CSO official indicated that even though Sierra Leone has some of the best legal provisions to protect the environment in mining areas, there is little oversight from Parliament to ensure the implementation of these provisions. In addition, the CSO official explained that reports which are deemed to be critical of the environmental actions of the bauxite mining company are not acted upon as Parliament will not want any confrontation with the Executive. The finding further corroborates that of Doro and Kufakurinani (2017) that Parliaments in Zimbabwe and Uganda are unable to carry out their oversight role in the mineral sector due to executive dominance.

The establishment of a division under the Office of the President responsible for contract negotiation was also considered a major challenge in regulating and managing the mineral sector. A senior official in the National

Revenue Authority (NRA) believed that with the establishment of various government institutions to manage and regulate the mineral sector, the expectation was that these institutions were to provide the necessary technical expertise during the negotiation of the bauxite mining agreement. However, with the establishment of a division in the Office of the President to oversee the negotiation process, the role of other institutions became redundant as key fiscal provisions in the 2010 bauxite agreement had already been agreed before other institutions joined the negotiation process.

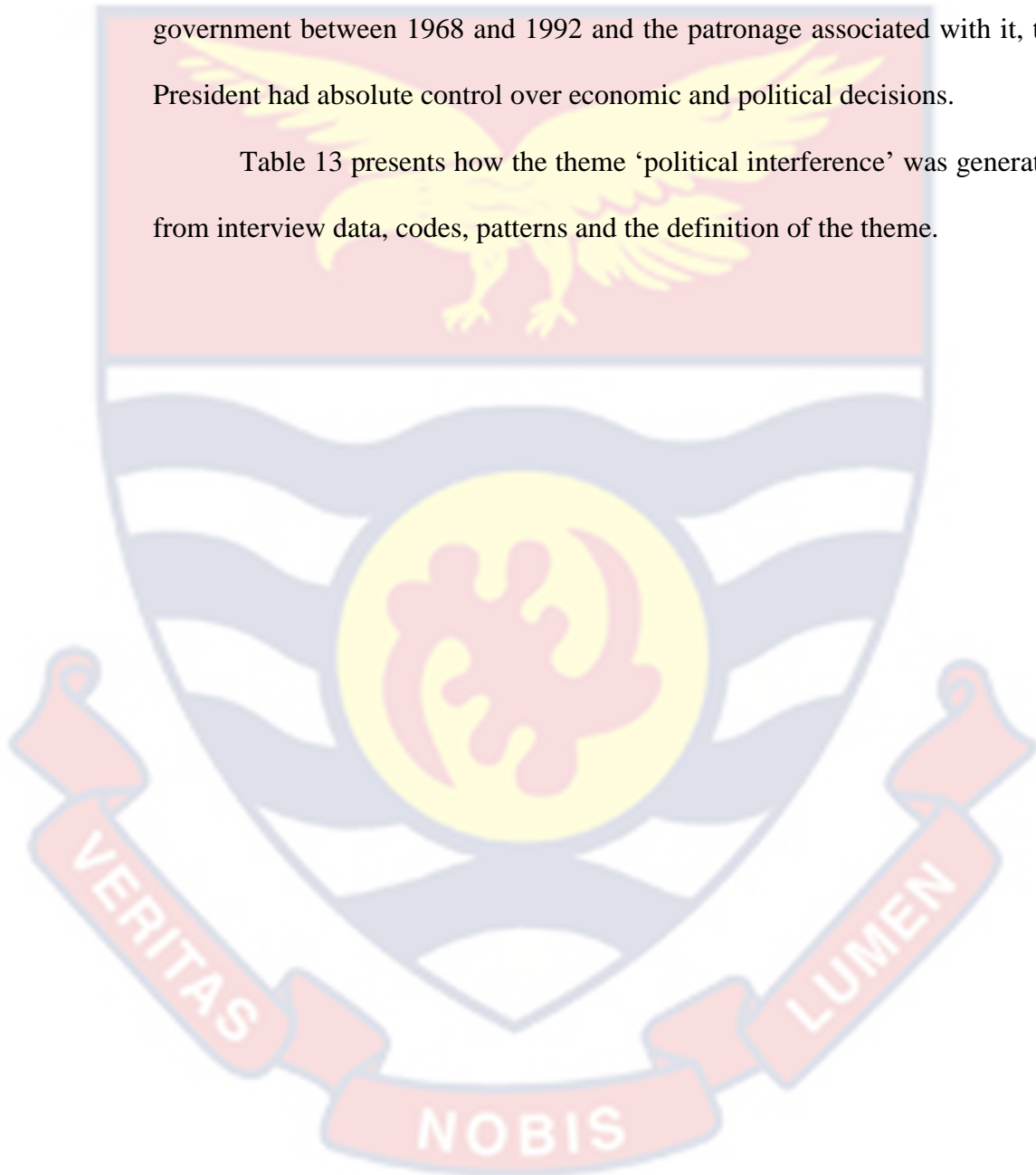
Focus group discussants in Gondama pointed out that the executive was making all the important decisions relating to bauxite mining without consultation with other stakeholders. Similarly, focus group discussants in Gbonje also pointed out that local stakeholders had never been part of any discussion relating to bauxite extraction. They pointed out that it was their expectation that the government would engage local communities even before the commencement of exploration. The finding also agrees with Fanthorpe and Gabelle's (2013) and Phiri, Mantzari and Gleadle's (2018) assertion that political interference contributed to limiting stakeholder participation in the mineral sector in Sierra Leone and Zambia. This finding is consistent with one of the underlying assumptions of the conceptual framework that suggests that political interference inhibits stakeholder participation.

I also discerned from separate interviews that, in relation to the mineral sector, all decisions are highly centralised. Government officials will not make an independent decision when they are not sure about the position of the President. The centralised control by the President in the 1970s and 1980s reduced policy predictability and stakeholder participation in the mineral sector



as Ministers and Civil Servants were not sure about their longevity in their position. It is also important to underline the context in which political interference impacted on stakeholder participation in bauxite mining at the local level. Akinwumi (2012) pointed out that with the one-party system of government between 1968 and 1992 and the patronage associated with it, the President had absolute control over economic and political decisions.

Table 13 presents how the theme 'political interference' was generated from interview data, codes, patterns and the definition of the theme.



**Table 13: Overview of how Political Interference was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of themes
Interview, government Official	During the 1970s and 1980s, the one-party state effectively empowered the President to centralise decision making about the mineral sector.  Parliamentarian unable to provide meaningful oversight of the mineral sector due to fear of losing their seats in Parliament in the next election given that the President is also the Head of their political party.	Authority Conflict Control	Dictatorial	Political Interference	Political interference in the mineral sector refers to a situation where executive control over state institutions, centralised decision making process and where policies are implemented based on the directives of the executive
Interview, government Official	In the 1970s, officials at Ministry of Mines will only receive instructions from the Office of the President to limit the interaction of staff of the Ministry with mining companies.	Restriction Supervision Authority Non-	Directives	Political Interference	Political interference in the mineral sector refers to a situation where executive control over state institutions, centralised decision making process and where policies are implemented based on the directives of the executive.
Interview, government official	Politicians rather than technical staff are in charge of the negotiations.	participation Accountability			
Interview: CSO Official	Mineral agreements take precedent over legislations due to excessive centralised control in decision making.	Authority	Enforcement	Political Interference	Political interference in the mineral sector refers to a situation where executive control over state institutions, centralised decision making process and where policies are implemented based on the directives of the executive

**Table 13 continued**

Interview: government Official	Key positions in various institutions regulating and managing the mineral sector are allocated based on patron-client relationship and the executive has discretionary power to change management.	Control Authority Non-involvement	Power	Political Interference	Political interference in the mineral sector refers to a situation where executive control over state institutions, centralise decision making process and where policies are implemented based on the directives of the executive
Interview: government Official	Some institutions do not participate in decision-making even though they possess the technical knowledge in certain areas.				



## Access to information and transparency

Access to information and transparency was also considered to be another factor influencing stakeholder participation along the bauxite mining value chain. Adimazoya (2013) noted that the dissemination of information to all stakeholders in the mining sector is the basis for informed participation. According to a key informant from a development partner, citizens do not have unfettered access to information in the mining sector and this impinges on their effort to effectively participate in the decision-making processes.

Key informants from a CBO and an academic institution believed that over the years, governments have restricted access to useful information about the activities in the bauxite mining sector due to the culture of secrecy. The key informant from the academic institution stated that, accessing the bauxite mining lease agreements has been met with a lack of responsiveness from government officials. The key informant from the CBO noted that in the 1970s and 1980s, local stakeholders were not aware about the fiscal and environmental provisions in the mineral agreement between government and SIEROMCO. This view was corroborated by key informants from government institutions who explained that pervasive information asymmetries present challenges for stakeholders like CBOs and host communities in holding the government accountable due to the culture of secrecy of mining agreements (Wilson, 2015).

Focus group discussants were of the view that even though the fiscal provisions in the current mineral agreement is now in the public domain, the process leading to the agreement of these fiscal provision lacks any form of participation. They explained that their participation is merely a window dressing as their inputs have not been reflected in their final agreement. They



regard this process of consultation as an information exercise, to give the government a semblance of engaging communities that will be impacted by mineral operations. This finding also supports the result reported by Batty (2013) that the views of other stakeholders on the fiscal regime in the Mines and Minerals Act 2009, were not incorporated.

A key informant from the National Revenue Authority indicated that in the 1980s and 90s, although the Income Tax Department was responsible for collecting all mineral revenues, it did not have access to the fiscal provisions in the bauxite mineral agreement. The key informant added that this made the collection of tax and non-tax revenue very difficult as the department only relied on the financial data provided by the mining companies. Other key informants from other government institutions emphasised that the lack of accurate sales data from the mining company makes reconciliation of revenue data very challenging.

A key informant from the National Mineral Agency expressed similar sentiments about access to information. She indicated that local stakeholders are always complaining about the difficulty in accessing information from government institutions. For example, it is difficult to get current data on disaggregated mineral revenue and on the gross revenue of SMHL. As such, many stakeholders are unaware about the revenue being derived from bauxite extraction and their rights for an integrated engagement in development strategies. The findings illuminate the opaqueness of the dealings between government and the mining company. The findings agree with those of Naibbi and Chindo (2020) and Lajula, Brunnschweiler and Edjekumhene's (2020)

respectively that the limited access to information by stakeholders in Nigeria and Ghana reflect poor governance in the mineral sector.

The issue of information asymmetry was also articulated by key informants from the development partners and CSO. They independently indicated that the work of non-state actors has been constrained by lack of transparency and mistrust from SMHL and government, especially in relation to reconciliation of mineral revenue. Furthermore, the key informants were of the opinion that government and mining companies feel that CSOs are always criticising mining companies for not supporting developments in host communities and this has often inflamed resentment within local communities towards the mining companies. They regard the new government policy for regulating Non-Government Organisations as an instrument to curb their objectivity, especially in highlighting environmental concerns and transparency in the management of mineral revenue.

I also discerned from the separate interviews that government is often reluctant to respond to issues raised by non-state actors. Information on mineral revenue is not shared widely and that the lack of knowledge about mining information undermines participation of stakeholders. This implies that stakeholders are prevented from having the necessary information to hold government accountable. In Zambia, Frederiksen (2016) reported similarly that lack of information limited the level of participation of local community members in the Copperbelt. The finding also conforms to one of the underlying assumption in the conceptual framework that lack of access to information and transparency does not improve stakeholder participation. The lack of

transparency also raises philosophical issues of social and economic rights such as access to information (O’Neil *et al.*, 2005).

Table 14 presents how the theme ‘access to information and transparency’ was generated from interview data, codes, patterns and the definition of the theme.



**Table 14: Overview of how Access to Information and Transparency was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of theme
Secondary source, Keili (2014)	Dissemination of information to all stakeholders in the mineral sector is the basis for informed participation.	Dissemination Information Stakeholders Participation	Disclosure	Access to information and transparency	Access to information and transparency in the mineral sector entails making government institutions more accountable to the public
Interview, Councillor, MDC	Nonparticipation of local stakeholders in the negotiation of the fiscal provisions in mineral agreement.	Transparency Access Information Agreements	Accessibility Involvement	Access to information and transparency	Access to information and transparency in the mineral sector entails making government institutions more accountable to the public
Interview, retired civil servant	Even though the fiscal provisions in the current mineral agreement is now in the public domain, the process leading to the agreement of these fiscal provision lacks any form of participation.	Participation Secrecy			
Interview: Government Official	In the 1980s and 1990s, key government institutions lack access to fiscal provisions in mineral agreements.	Unawareness Access	Knowledge Influence	Access to information and transparency	Access to information and transparency in the mineral sector entails making government institutions more accountable to the public
Interview, Government Official	Stakeholders like CSOs face challenges in accessing information from government institutions For example, it is difficult to get current data on disaggregated mineral revenue on the websites of either the Ministry of Finance or the National Revenue Authority or current exports data from the Bank of Sierra Leone or SMHL. As such, many stakeholders are unaware about the revenue and exports from bauxite extraction.	lack of access	Opaque Impact	Access to information and transparency	Access to information and transparency in the mineral sector entails making government institutions more accountable to the public



### Socio-economic condition

The third factor identified by key informants to influence stakeholder participation along the bauxite mining value chain was the existing socio-economic condition. In the immediate years after the civil conflict, poverty was very high in the Moyamba district (Statistics Sierra Leone, 2015). The resumption of bauxite mining was a key economic strategy of the government and with families unable to engage in other economic activities as a result of the destruction wrecked by the civil conflict, there was little resistance in selling-off their lands to enable them meet their financial commitments. According to a key informant from Gondama, male-headed households were unable to meet basic needs such as providing a healthy diet because of lack of income. The key informant explained that the economic situation considerably reduced the bargaining power of landowners in the negotiation process.

During an interview with a retired civil servant, he highlighted the power asymmetries between SIEROMCO and the government in limiting the role of stakeholder participation in the bauxite mining sector. The closure of the rutile and iron ore mines and the fall in diamond output in the 1970s gave SIEROMCO significant leverage in the mining sector and resulted in low stakeholder participation in decision making at the local level. The key informant explained that because mining revenue from bauxite extraction became an important source of revenue, SIEROMCO was able to use its economic power to limit its interaction to only the Executive. According to the key informant, SIEROMCO also provided employment opportunities for close associates and family members of politicians. In doing so, the company was able to insulate itself from any form of critique from other stakeholders.

A key informant from Gondama also revealed that the mining company also used its economic power to influence representation in Parliament. This was evident in the way the company provided support to a potential Parliamentarian who did not express controversial views about its mining operations. A key informant from a CBO agreed with this view and indicated that the mining company will provide financial support to a particular candidate aligned to their operations, with the hope that as a member of the parliamentary oversight committee on mines, there will be less scrutiny of their operations. At the local level, the elected Parliamentarian, realising that the company played a major role in gaining a seat in Parliament will always act to protect the interest of the company and limit the interaction between community members and the mining company.

Focus group discussants in Gondama also claimed that the mining company's economic leverage over traditional leaders is inimical to effective stakeholder participation. The focus group discussants alluded to the fact that the purchase of four-wheel drive sports utility vehicles for Paramount Chiefs and the provision of monthly income have compromised their position as custodians of their constituents. In a similar vein, a key informant from a CSO pointed out that Paramount Chiefs in the primary host communities are often reluctant to approach the mining company with complaints from the communities and rather act as advocates for the mining company.

Focus group discussants in both Gondama and Gbonje revealed that support from SMHL has been supply driven and not demand driven as there is little consultation with primary host communities. Communities are only informed about the support provided by the mining company as part of their

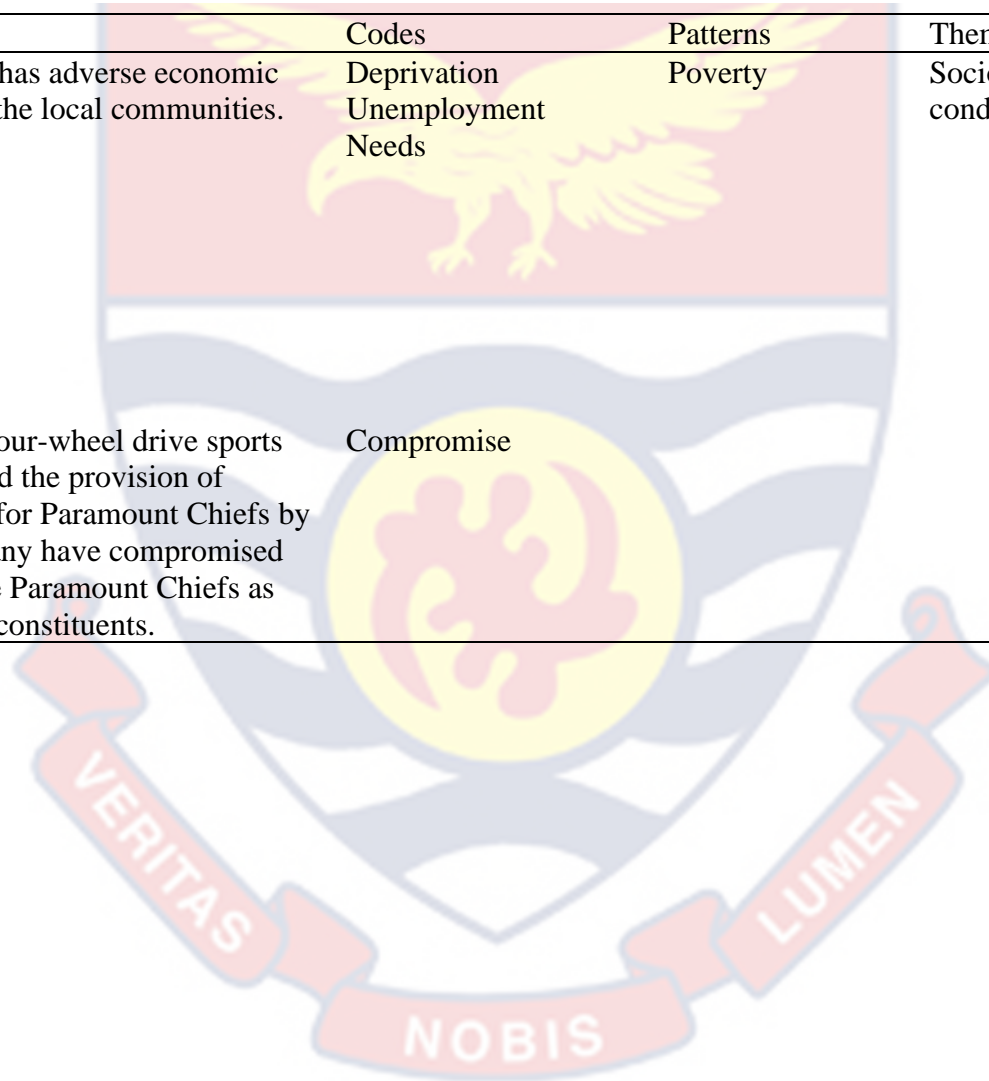
corporate social responsibility but they do not participate or give any input into the decision-making process for any intervention. A key informant from a youth group in Gondama pointed out that the composition of the advisory committee limits any form of meaningful participation. The key informant lamented that the advisory committee which is responsible for facilitating interaction between the community and SMHL is made up representatives selected by the Paramount Chiefs and are mainly there to rubber-stamp the proposals of the mining committee.

Based on the interviews, it can be deduced that the poor economic situation of local communities coupled with the economic power of the mining company has limited stakeholder participation. This insinuates that although the civil conflict exacerbated poverty in the Moyamba district, bauxite extraction has failed to transform the economic and social conditions of local communities. The finding is inconsistent with the tenet of the stakeholder theory that suggests that for organisation to be successful, it has to incorporate the interests of all stakeholders (Freeman, 1984). This finding is also in sync with the conceptual framework that suggests that in the absence of linkage between stakeholders and stakeholder participation, development is unlikely to be favourable.

Table 15 presents how the theme ‘socio-economic condition’ was generated from interview data, codes, patterns and the definition of the theme.

**Table 15: Overview of how Socio-Economic Condition was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of theme
Interview, Women’s Association	The civil conflict has adverse economic consequences on the local communities.	Deprivation Unemployment Needs	Poverty	Socio-economic condition	Socio-economic condition entails a measure of economic and social status and tends to be positively associated with better health and education facilities and availability of jobs.
Focus group discussants	The purchase of four-wheel drive sports utility vehicles and the provision of monthly income for Paramount Chiefs by the mining company have compromised the position of the Paramount Chiefs as custodians of the constituents.	Compromise			





## Chapter Summary

The chapter began by discussing the background characteristics of the research respondents and the listing of stakeholders in the bauxite sector. The nature and extent of stakeholder participation in the bauxite sector was also examined. The main stakeholders identified with having high influence and high interest in the bauxite mining sector are mainly government institutions and include the Ministry of Finance, Ministry of Mines and Mineral Resources, National Mineral Agency, National Revenue Authority and Parliament. These institutions dominate the platform for stakeholder participation and there is little room for other critical stakeholders like the local communities and CSOs to make their voices heard and their views reflected in decision making. The level of participation of other stakeholders may be described as non-participatory or as tokenism.

The chapter also examined the factors that influence stakeholder participation in the bauxite mining sector and identified political interference, access to information and transparency and socio-economic conditions are the main factors influencing stakeholder participation. In particular, the executive and mining company were seen as commanding great influence in the way stakeholders participate in the bauxite mining sector.

## CHAPTER SIX

### INSTITUTIONAL ARRANGEMENTS IN THE BAUXITE MINING SECTOR IN SIERRA LEONE

#### **Introduction**

This chapter is dedicated to addressing issues that relate to the second research objective, which explores the factors that explain the institutional arrangements in the bauxite mining sector in Sierra Leone. Specific issues addressed in this chapter include forms of institutional arrangements and the factors that explain institutional arrangements in the bauxite mining sector. The analysis in this chapter is based on secondary sources, interviews with key informants as well as focus group discussions with community stakeholders in the bauxite mining sector. The key informants were from government institutions, academia, Civil Society Organisations, private sector, the Moyamba District Local Council, Sierra Minerals Holding-1 Limited and community members in Gbonje and Gondama.

#### **Forms of Institutional Arrangements in the Bauxite Mining Sector**

This section focuses on the institutional arrangements in the bauxite mining sector. The United Nations Development Programme [UNDP] (2008) defines institutional arrangements as the policies, systems, processes and structures used by organisations to legislate plan and manage their activities efficiently and to effectively coordinate with others in fulfilling their mandates. Ostrom (1990) notes that institutional arrangements are the formal and informal rules and norms that define who has the decision making authority in an organisation or organisations. In the same vein, Hassenforder and Barone (2018) reveal that institutional arrangements include institutional origins and

changes and the resulting institutional structures. It presupposes that institutional arrangements encompass the policies, processes and structures guiding an organisation. It is therefore vital to know the policies, processes and structures in the bauxite mining section.

Publications on Sierra Leone often begin with the startling contradiction that it is hugely endowed with mineral resources but has been marred by poor regulations, especially under the one-party state from 1968 – 1992 (Abdullah & Bangura, 1997; Frost, 2012; Keen, 2005; Reno, 1995). As Luke and Riley (1989) point out, there was little regulatory variability in the mineral sector in the early years after independence in 1961, mainly because there was no overarching regulatory framework to address the shortcomings in the institutional arrangements under colonial rule. In an earlier study, Cartwright (1978) indicates that the post-colonial government possessed little administrative and technical capacity to regulate and manage the sector. Furthermore, mineral revenue contributed about 20 percent of government revenue and there was the fear that the foreign firms would abandon the exploitation of minerals if the existing regulatory framework was changed.

Adimazoya (2013) explains that the ownership of a country's minerals is set out in the Constitution, while other aspects of the mineral sector are left for various Acts or legislations to delineate. According to Ambe-Uva (2017), an effective legal framework sets out the regulations for allocating licenses, monitoring operations, collecting and managing revenue. It is a determining factor in ensuring successful developments from mineral extraction. Aubynn (2017) also argues that the regulatory framework has important implications for the institutional arrangements along the mining value chain. A legal framework

that is transparent, accountable and consistent provides, a stable and predictable policy environment necessary for attracting foreign direct investment (Nguyen, Boruff & Tonts, 2019). Sierra Leone has witnessed three waves of institutional arrangements in the bauxite mining sector.

### *Institutional arrangements under colonial rule*

The first wave of institutional arrangements in the mineral sector can be traced from 1927 to 1960 (Van der Laan, 1965). During the colonial period, the key legislative instruments were the Colonial Development and Welfare Act, 1929, and the Minerals Ordinance 1927, which was amended as the Revised Minerals Ordinance, 1960. As per the Mineral Ordinance 1927, the control of all minerals resides with the British Crown.

According to Cleeve (1997), these legislations were designed to ensure the supply of raw materials to British manufacturers, provide local employment in the UK and also boost the struggling United Kingdom economy. Greenhalgh (1985) points out that the British firms engaged in exploration were provided with attractive fiscal provisions such as their exemption from paying tax on their income, duty free concession on capital goods and raw materials for their operations and the deduction of capital allowance from taxable profits.

During an interview with a key informant from the academia, it emerged that the regulatory framework placed the mineral sector under the control of the British Crown. The key informant characterised the notion of colonial control over the mineral sector as follows:

The discovery of large deposits of diamonds and iron ore in the 1930s laid the foundation for the type of policies the British colonial masters adopted. The regulatory framework that was designed granted extensive monopoly to British firms. For example, the



Mineral Ordinance, 1927 gave both the Sierra Leone Selection Trust and the Sierra Leone Development Company mining diamond and iron ore respectively exclusive prospecting license covering the entire country for a period of 99 years and exclusive rights to export the minerals extracted to their home country. Furthermore, since the mineral rights were granted by the colonial administration, views of local stakeholders were not considered and there was no attempt made locally to add value to the minerals being exported (Key Informant from Fourah Bay College, Freetown, 25<sup>th</sup> May 2022).

The quote shows that the legal framework for regulating the mining sector gave foreign firms control over domestic mineral resources and reflects the aim of the colonial administration to exclude local stakeholders in decision making (Frost, 2012). Aubynn (2017) found similar result that firms from the colonial administration dominated the mining landscape in Ghana and local stakeholders were not involve in the decision-making process in the mining sector. In an earlier study, Lanning (1979) also found that the colonial administrations established the enabling environment for foreign firms to dominate the mineral landscape in Congo (now Democratic Republic of Congo) and South Africa.

#### ***Institutional arrangements from 1961 – 1993***

The Bauxite Mineral Prospecting and Mining Agreement, 1963, signed with SIEROMCO was the first institutional arrangement undertaken in the post-independence period. In its early years, bauxite extraction contributed to government revenue and improved the country's balance of payment (World Bank, 1970). As part of its policy to nationalise the mineral sector, the government launched a policy called 'A New Mining Policy for Sierra Leone – Partnership for the Future' in 1969. The intention of the policy was for the

government to address the limitations of the Mineral Ordinance Act 1960, particularly in relation to the fiscal provisions, through the purchase of majority ownership in all the mining companies. This was to give the government control over mineral operations and ensure a larger share of profits from mineral extraction accrues to government (World Bank, 1974).

In support of this policy, a key informant from the Ministry of Mines said the generous incentive packages in the Mineral Ordinance (1960) and the Bauxite Mineral Prospecting and Mining Agreement (1963) with SIEROMCO did not provide the government with a fair share of the resource rent generated. The key informant explained that given the huge volume of mineral exports and favourable commodity prices, more revenue should have accrued to the government. Cleeve (1997) reported similar finding that the pricing clause in the SIEROMCO agreement limited the royalty revenue accruing to government.

However, a key informant from the private sector indicated that the nationalisation policy was ill-timed given the absence of an overarching legal framework and the lack of technical capacity. The key informant also explained that this placed the government in a disadvantageous position in taking over the bauxite mining operations. This passage taken from the field notes explains his assertion:

Two large-scale mining operations (bauxite and rutile) commenced production few years after independence. While the existing legislation was developed by the British and catered for companies from Britain, the two new companies were from Switzerland and the United States of America but the existing legislation specifically focused on diamonds and iron ore. Consequently, the government, lacking technical capacity to complete the nationalisation of the bauxite operations had to negotiate a bilateral mineral agreement

with SIEROMCO. SIEROMCO was not only able to convince the government that nationalisation will discourage foreign direct investment into bauxite mining but negotiated an agreement with generous fiscal provisions. For example, the company was allowed to sell to its parent company at a specified low price for the entire life of the lease agreement (Key Informant from a Private Sector, Freetown 16<sup>th</sup> May 2022).

The account suggests that the generous fiscal provisions prevented the country from getting a fair share of the resource rent generated which could have been used to support economic growth and poverty reduction programmes. This is consistent with the tenets of social justice which advocates for the redistribution of wealth as the basis for reducing poverty. This finding is in line with the United Nations Economic Commission for Africa's (1969) report on mining agreements and mining policy in Sierra Leone. The report stated that in the absence of institutional arrangements guiding tax concessions, wide reaching concessions were made without any attempt to relate them either to the companies' estimated needs or the expected benefits accruing to the government and people of Sierra Leone (United Nations Economic Commission of Africa, 1969).

Similarly, other key informants from a government institution and a Civil Society Organisation also mentioned that the contents of the 1963 mineral agreement was not in the best interest of the country. The key informant from government noted that Sierra Leone was unable to benefit from the high bauxite price in the 1960s and 1970s in terms of royalty payments. This was as a result of mineral agreement between the government and SIEROMCO, which capped the price at which bauxite will be sold to Alusuisse, the parent company of SIEROMCO. The key informant from the CSO also observed that the mineral

agreements in 1972 and 1974 between government SIEROMCO did not address important issues like arms-length pricing, transfer pricing and thin capitalisation. These issues allowed the mining company to under declare output and sales data and hence, their royalty payments were small.

Besides the absence of policies to ensure that the government gets a fair share of the resource rent generated, key informants also revealed that the absence of institutions to monitor and regulate the bauxite mining sector adversely impacted on revenue collection. They indicated that in the 1970s and 1980s, there was no central revenue collection institution for bauxite revenue. Royalties were collected by the Ministry of Mines, income tax was collected by the Income Tax Department and surface rent was paid to the Ministry of Finance. Furthermore, the absence of institutions to monitor export output meant significant under-declaration occurred, further worsening the economic loss to the country. The finding agrees with Cleeve's (1997) assertion that when a government lacks the capacity and the regulatory framework to monitor mining companies, it reduces the amount of mineral revenue accruing to government.

Information obtained from separate interviews with key informants revealed that successive governments in the 1970s, 1980s and 1990s failed to formulate legislations, establish key institutions, and prevented stakeholders from participating in decision making in the bauxite mining sector. This enabled SIEROMCO to get generous concessions, and thus, prevented government from getting a fair share of the resource rent generated and consequently achieve development. This is unlike the central tenet of the agency theory's position that governance structures must be in place to safeguard the interest of the



government as owner of the mineral resource (Kyereboah-Coleman & Amidu, 2008). The findings are with the core concern of intergenerational justice which advocates for the requisite framework for society to prosper.

Key informants mentioned that the Gulf Wars of the 1970s increased the operational expenditure of mining companies and adversely affected the price of several minerals, including bauxite. The poor performance of the mineral sector mirrored the deteriorating economic performance in the 1980s. A key informant from the private sector pointed out that the unprecedented decline in revenue from mineral exports, especially diamonds and bauxite during the 1980s, necessitated the intervention of the International Monetary Fund (IMF) and World Bank and led to the adoption of the Structural Adjustment Programme (SAP) in 1985. According to a key informant from government, some of the key policy interventions included reducing the role of government in the mineral sector and a review of the various mineral agreements including the Bauxite Mineral Prospective and Mining Agreement of 1976.

#### ***Institutional arrangements from 1994 – 2001***

The outbreak of the civil conflict in 1991 and the overthrow of the All People's Congress (APC) by the National Provisional Ruling Council (NPRC) halted governance reform measures in the mineral sector (Keen, 2005). A key informant from the Parliament commented that in 1994, the NPRC formulated the Mines and Minerals Decree, mainly to address the issue of discretionary fiscal provisions in various mineral agreements. The key informant explained that the Decree was significantly influenced by the 1992 World Bank paper 'Strategy for Mining in Africa', which encouraged African governments to establish clear regulatory framework and an enabling environment for foreign

direct investment. The Decree was enacted into law in 1996 and became the main legislation from which regulations, rules and mineral agreements relating to mining should claim their validity.

The MMA, 1996, was slightly amended in 1999 and 2004 and supplemented by the Mines and Minerals Regulations in 1996 and the Mines and Minerals (Fees) Regulations in 2008. However, the International Monetary Fund's (1996) report had criticised the MMA, 1996, for not being sufficiently detailed on environment, social development and community issues. The report also highlighted the failure to strengthen the technical capacity in the department for environment and the establishment of a centralised revenue agency to consolidate revenue from the mining sector.

Similar sentiments were expressed by key informants from a government institution and a CSO. Both informants noted that the environmental department was inadequately staffed and hence, unable to undertake critical environmental and social impact assessments and provide the necessary advice to government and mining communities. This finding does not reflect the aspect of the conceptual framework that there is a relationship between stakeholders and institutional arrangements. The finding is consistent with Besada and Martin's (2015) claim that when environmental issues are not comprehensively covered in mineral legislations, the welfare of current and future generations is adversely affected. Such an adverse finding weakens the tenets philosophy of intergenerational justice which argues for the current generation to bequeath an environment to the future generation that will ensure satisfaction of their God-given wealth (Thompson, 2009).

*Institutional arrangements from 2002 to present*

Sierra Leone's protracted and devastating civil conflict, between 1991 and 2002, has been attributed to poor governance, especially the lack of transparency and accountability in the mineral sector (Abdullah, 1998; Keen 2005). After the end of the civil conflict in 2002, the government concentrated on improving the institutional arrangements in the mineral sector in order to attract foreign investors (Garrett, Mitchell & Levin, 2008). As part of the effort to create an investor-friendly environment for mining operations in the post-conflict period, government developed the Core Mining Policy 2003 and legislated the Investment Promotion Act, 2004, which gave foreign investors a number of guarantees in terms of expropriation, transfer of funds and dispute resolution.

A change in the political landscape in 2007, when the opposition party won the Presidential and Parliamentary elections, led to further variations in the policies covering the mineral sector. A key informant from a government institution opined that the inadequacies in the various regulations governing the mineral sector, coupled with the need to attract foreign investment in a post-conflict country meant that government had to review the regulatory framework of the mineral sector. According to the key informant, one of the inadequacies in the existing legislations was the absence of government equity share in any of the large-scale mining companies.

Another key informant from Parliament mentioned that, it is important for government to have an equity share in each large scale mining company, as it will ensure the country benefits from any commodity price boom. In order to address this inadequacy in previous legislations, the new government included

a clause in the Mines and Minerals Act, 2009, to give government the option of acquiring equity. Specifically, section 162 of the MMA 2009, gives government the option to acquire a shareholding interest in any large-scale mining operation.

In his inaugural address at the State Opening of Parliament in 2007, former President Koroma sought to identify the challenges inhibiting good governance in the mineral sector as follows:

“Mr. Speaker, the mining sector is plagued with a poor regulatory framework and rampant smuggling. My government will enforce existing mining legislations and develop a robust environmental protection policy. Government will pursue the proposed resuscitation of the Marampa mines and the development of the Tonkolili Iron Ore prospect as well as the Port Loko Bauxite mining project. Government will also continue to support the operations of the Sierra Rutile mines as well as the Sierra Minerals Bauxite operations with a view to improving revenue to government and more benefit to the people of Sierra Leone”(President Koroma, Inaugural Address to Parliament, Freetown, 5<sup>th</sup>October 2007).

The quote revealed the poor state of the mineral sector despite the country being endowed with numerous mineral resources. Focus group discussants in Gondama were also of the view that given the resource base of bauxite in Moyamba District, the government should have ensured that the mining company established processing plants to add value to the bauxite ore. They felt that this will create employment, generate revenue, establish forward and backward linkages with other sectors in the economy and contribute to poverty reduction. Such sentiments supports the tenet of the philosophy of social justice which posits that the redistribution of wealth can be the basis for eradicating poverty (Olson, Reid, Threadgill-Gioldson, Riffe, & Ryan, 2013).



In 2008, Parliament enacted the Environment Protection Agency (EPA) Act, 2008, to tackle institutional and environmental challenges in the mining sector. The government also repealed the Mines and Minerals Act, 1994, and replaced it with the Mines and Minerals Act (MMA), 2009. According to a key informant from the Ministry of Mines, the MMA, 2009, is developmentally-oriented and comprehensively addressed the interests of stakeholders in the mineral sector. It covers issues like protection of the environment, community development, corporate social responsibility, government equity share in mining companies and health and safety issues which were not covered in the MMA, 1996.

However, focus group discussants expressed different sentiments about the lack of effective consultation with primary host communities in the preparation of the MMA, 2009. They lamented the disconnection between central government institutions and the local government and host communities on matters relating to land use for mineral extraction. They also expressed their disappointment over the lack of proper environmental plans in terms of ensuring that mined areas do not pose environmental hazard to local communities. Batty (2013) also pointed out that there was little stakeholder consultation at both the local level in the formulation of the MMA, 2009, and with CSOs in relation to the fiscal provisions in the Act. This finding hints that government was less consultative with other stakeholders and as indicated in the conceptual framework, stakeholder participation is critical for development in mining communities.

Focus groups discussants in Gondama and Gbonje revealed that they are still grappling with the size of the concession given to the Sierra Mineral

Holdings-1 Limited (SMHL) immediately after the end of the civil conflict, as no adequate consultation was undertaken before the resumption of operations in 2005. They were of the view that their farming and ancestral lands area were taken by the mining company without adequate financial compensation. This finding is not in sync with the philosophy of social justice that advocate for an equitable distribution of resources (Rawls, 2005). Mzembe (2014) finds similar results in Malawi, where the local communities were not consulted before the commencement of mining operations. The finding also agrees with Wilson's (2015) that asymmetrical power relations and disparate social structures have impeded community development in diamond areas in Sierra Leone.

Key informants mainly from government institutions emphasised that the MMA, Act 2009, gave the Minister of Mines too much authority in the approval of licenses, especially as existing mining companies only needed to apply directly to the Minister. Section 107 of the MMA, 2009, gives the Minister of Mines the sole authority to refuse or grant an application for large-scale mining license following the advice of the MAB. They argued that this is an inherent weakness of the legislation, as it introduces discretion and reduces transparency and accountability in decision making process. According to the key informants, the ideal situation should be having a criteria-based licensing via open bidding rounds. When clearly design in a law, such a process enhances transparency and efficiency.

A key informant from a Civil Society Organisation expressed a comparable view. The informant indicated that apparent lack of consultation between the Minister and other institutions like the Ministry of Agriculture and the Ministry of Finance does not bode well for institutional coordination in

decision making. The key informant also reiterated that the granting of licenses should be criteria-based via open bidding rounds, as it will minimise negotiation between the government and junior companies, who are interested in acquiring exploration licenses and resell the license to major companies once discovery has been made. The revenue from this sale of license can be substantial and the host country is unlikely to benefit from this transaction.

It can be perceived from the discourse that, various stakeholders recognised that the process of land acquisition is an issue that has not been adequately addressed in various legislations. The finding is consistent with Ademazoya's (2013) and Batty's (2013) findings that local communities are marginalised in the consultation process leading to the formulation of key mineral sector legislations in Ghana and Sierra Leone. This contradicts the human rights philosophy which agitates that all human beings have rights encompassing civil, political, economic, social and cultural aspects of life (United Nations, 2015).

The other legislations and policies that have been enacted or approved in the post-conflict period include the Public Financial Management Act, 2016, the Financial Management and Control Act, 2017, the Extractive Industries Revenue Act, 2018, the Public Financial Management Regulations, 2018 and the Mines and Mineral Policies 2018. Key informants pointed out that these laws and policies are meant to improve mineral revenue and have provisions such as the establishment of a Transformational Development Stabilisation Fund (TDSF) and Inter-Generational Savings Fund (IGSF) in the PFM Act, 2016. As Tordo (2007) notes, the aim of fiscal provisions in mining legislations

is to ensure that the government is able to get a fair share of the resource rent generated.

Key informants from MoF and EPA expressed frustration about the institutional arrangements in the collection and management of the bauxite mineral revenue. Specifically, they explained that the TDSF and IGSF were meant to signal the start of funding development projects in a sustainable and reliable manner for the benefit of current and future generations. They opined that the institutional arrangements in relation to these funds are yet to be established due to the unwillingness of the executive as it will be open to intense scrutiny on how the funds are utilised. This hints at the deliberate use of power by politicians to avoid scrutiny in an effort to protect their interests and explains why the country has been unable to transform mineral wealth into sustainable development. The finding contradicts the core concern of intergenerational justice which posits that the establishment of institutions are necessary for ensuring the present generation live a healthy and fulfilling life (Jackson, 2005).

Key informants from a development partner and a civil society organisation noted that the country has been unable to avoid the resource curse because it has failed to prudently managed its mineral wealth. The key informant from the development partner indicated that the inability of various government to establish TDSF and IGSF since the enactment of the PFM Act, 2016, is an indication of failure to establish government mechanisms to soundly manage the country's mineral resources. The key informant from the CSO opined that the establishment of these two funds would have allowed the government to invest in meaningful developmental projects, especially at the local level where minerals are extracted. The failure to establish these funds by



the former and present governments show the lack of commitment to ensure mineral wealth is transformed into sustainable development.

As indicated in the conceptual framework, stakeholder participation and institutional arrangements are critical for successful development. Focus group discussants explained that since bauxite extraction started in 1963, the institutional arrangements have not transformed bauxite revenue into meaningful development especially at the local level. They opined that primary host communities have no knowledge of how the provisions in the PFM Act, 2016, relating to extractive industries revenue is impacting on their communities. A key informant from a CSO also expressed similar sentiments in relation to the utilisation of surface rents by the Local Council and Paramount Chiefs.

An extract comment from the focus group discussion in Gbonje illustrates this:

We know that the mining company pays surface rent to the mining communities but the institutional arrangements in the MMA 2009 are flawed. The Paramount Chief is given 15 percent of the total amount with no mechanism in place to monitor how the fund is utilised. In addition, the Chieftdom Development Fund is given another 15 percent and the Paramount Chief is the main signatory to the Fund. It means the Paramount Chief alone gets 30 percent, while landowning families have to share 50 percent of the surface rent. Participants viewed such institutional arrangements, relating to the distribution of surface rent that gives an individual 30 percent of the total amount with no mechanism in place to monitor the use of funds, as inimical to the achievement of development (FGD participants, Gbonje, 24<sup>th</sup> May, 2022).

The narration is well-situated within Maconachie's (2009) finding that the lack of transparency and accountability and stakeholder participation in the management and utilisation of mineral revenue breeds local elite capture and impedes development in mining communities. The result is in line with the finding of Lajula and Narh (2019) that in Ghana, the Minerals Development Fund Act (Act 912) does not ensure local participation in mineral royalty management. The findings thus show that as per linkages in the conceptual framework that the link between stakeholder participation and institutional arrangements is key in ensuring development at the community level.

### **Factors that Explain the Institutional Arrangements Along the Bauxite**

#### **Mining Value Chain**

This section of the chapter articulates factors that explain the institutional arrangements in the bauxite mining sector. These factors are informed by interpretation of the findings from interviews with some of the respondents and then supported by secondary sources. The factors that are discussed include: political interference, technical capacity and institutional coordination.

#### **Political interference**

Key informants from CSOs and the academia believe that political interference have played a significant role in shaping the institutional arrangements in the mining sector in Sierra Leone. Robinson (2008) notes that neo-patrimonialism in the public sector has meant that the ruling party often makes a clean sweep of top officials in institutions regulating and managing the mineral sector. The key informant from a Civil Society Organisation explained:

The Heads of government institutions responsible for the mineral sector are often political appointees whose loyalty lies only with the President. In some instances, the political appointee is hardly knowledgeable about the mining sector. We would like to see institutions regulating and managing the mineral sector led by competent and qualified Sierra Leoneans. It has become common practice for government to appoint people with political connections to top positions in institutions regulating the mineral sector. For example, in the National Minerals Agency (NMA) Act, 2012, there is no position for Deputy Director General. In 2012, during the recruitment process, the NMA Board did not recommend the preferred government candidate for the position of Director General. However, due to political pressure, the new position of Deputy Director General was created for the political choice for the Director General position (Civil Society Official, 15<sup>th</sup> May, 2022).

The above quotation shows how political interference resulted in the creation of a position that was not envisaged and was not in the NMA Act, 2012. Such interference can have particular deleterious effects because of the influence the political appointee can have in decision making (Barma *et al.*, 2012). A key informant from a government institution revealed that the Deputy Director General, who is in charge of monitoring of mining operations was always critical of staff who presented reports that highlighted challenges in the operations of mining companies. The key informant added that some staff of NMA were reluctant to be part of a monitoring assignment for fear of any backlash from the Deputy Director General.

A key informant from a government institution also pointed out the establishment of the Strategy and Policy Unit in the office of the President in 2007 as another indication of political interference in the running of government institutions. The key informant revealed that this unit was staffed by political

appointees based on political loyalty rather than on merit. Another key informant from a government institution also revealed that the establishment of this unit hampered the operations of other government institutions, especially when it comes to the negotiation of mineral agreements.

Another official from a Civil Society Organisation pointed out that one of the prominent features in recent years in the mineral sector is the excessive political interference, especially in relation to the negotiation of mining lease agreements (MLA). According to the key informant, despite the existence of various regulations and institutions, the Strategy and Policy Unit did not make use of the existing legislative framework or consult other government institutions during the negotiation of the bauxite agreement with SMHL in 2010. Focus group discussants in Gbonje observed that Parliamentarians are afraid to critically scrutinise mineral agreements that have the backing of the executive. The finding supports the observation by Doro and Kufakirinani (2017) that in Zimbabwe, political interference creates an opaque terrain for institutions like Parliament to provide oversight over the mineral sector

A similar opinion was expressed by another key informant from the Extractive Industries Revenue Unit in the National Revenue Authority. The key informant revealed that in 2010, when government was negotiating a new bauxite mining lease agreement with SMHL, it was the Minister of Mines and Mineral Resources who led the negotiation process even on issues relating to taxes. Even though the Mines and Minerals Act (2009) had just been enacted, SMHL was able to push through generous fiscal concessions that were in conflict with the Act. It was also surprising that Parliament speedily passed the bauxite mining lease agreement with the minimum of scrutiny. It was then



obvious that the politicians were comfortable with the agreement despite it being in contravention of the MMA Act, 2009.

In addition, another key informant from a development partner opined that the President appoints supporters to key positions in the mineral sector. For example, the postings of senior civil servants who are meant to provide guidance to ministers, are always subjected to the approval of the President and are periodically changed. Robinson (2008) agrees that in the post-conflict period, patron-client relationships in the civil service adversely impacted decision making in the mineral sector. Another key informant from the academia pointed out that the uncertainty created by such appointments meant civil servants are more interested in what the President wants for the sector rather than trying to improve on the institutional arrangements in the sector. The key informant also said that mining companies have direct links to the executive and can relay their concerns without going through the Ministry.

In separate interviews with key informants in government institutions in relation to their responsibilities, it was clear that government institutions regulating and managing the mineral sector are emblematic of elite capture. According to O'Neill *et al.* (2005), such a development violates the principle of social justice that advocates for the establishment of effective institutions to serve citizens. The find also agrees with the tenet of the resource curse theory that the extraction of mineral resource tend to produce undesirable outcomes like poor governance (Di John, 2011). In Ghana, Ayee *et al.* (2011) reported similar finding that appointments to key positions in the mineral sector are based on political loyalty rather than merit and integrity. Doro and Kufakurinani

(2017) also reported that Parliament in Uganda has little scope for scrutinising mineral agreements which have the backing of the executive.

Table 16 presents how the theme ‘political interference’ was generated from interview data, patterns and the definition of the theme.



**Table 16: Overview of how Political Interference was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of theme
Interview, CSO Official	The Heads of institutions regulating and managing the mineral sector are often political appointees whose loyalty lies only with the President.	Power Competency Connection Elite capture	Influence	Political Interference	Political interference in the mineral sector occurs when the existing process, rules, institutions become ineffective and are subjected to the control of the executive
Interview, Development Partner	Regulatory agencies are unable to carry out their mandate independently as they are filled with political appointees.	Executive Appointment Positions	Control Authority Manipulate	Political Interference	Political interference in the mineral sector occurs when the existing process, rules, institutions become ineffective and are subjected to the control of the executive
Interview: Private Sector	New institutions are established that take over that activities of existing institutions	Control	Dominance Allegiance	Political Interference	Political interference in the mineral sector occurs when the existing process, rules, institutions become ineffective and are subjected to the control of the executive

### Technical capacity

The perceptions of respondents about the level of technical capacity in government institutions were considered. In most cases, mining companies are likely to have better technical capacity than government institutions in all aspects of mining operations, especially on technical issues on taxes, transfer pricing and thin capitalisation (IMF, 2012). Lundstøl, Raballand and Nyirongo (2013) also note that many mineral rich countries face challenges in establishing specialised units and attracting and retaining technical personnel due to poor working conditions and insufficient budgetary allocation. A key informant from the Extractive Industries Revenue Unit (EIRU) in the National Revenue Authority (NRA) indicated that:

We have been beset with weak technical capacity for regulating and monitoring the mineral sector since independence. Until recently, we did not have any specialised unit within any government institution with the capacity for undertaking forensic audit of the mineral sector. For example, due to lack of technical capacity, the National Revenue Authority and National Mineral Agency would only receive notification about royalty payments as they were unable to verify the volume and quality of bauxite exports and the price at which it was sold. It was difficult to validate the royalty payments. Our recruitment process has been slow and this is having an impact on the efficiency of the EIRU (Key Informant from NRA, 6<sup>th</sup> June 2022).

Another key informant from a government institution articulated the challenges faced in attracting talented staff to ensure effective monitoring of mineral operations. The key informant opined that since the establishment of the NMA in 2012, the Agency has been unable to recruit the required number of engineers to effectively monitor the operations of the mining companies.



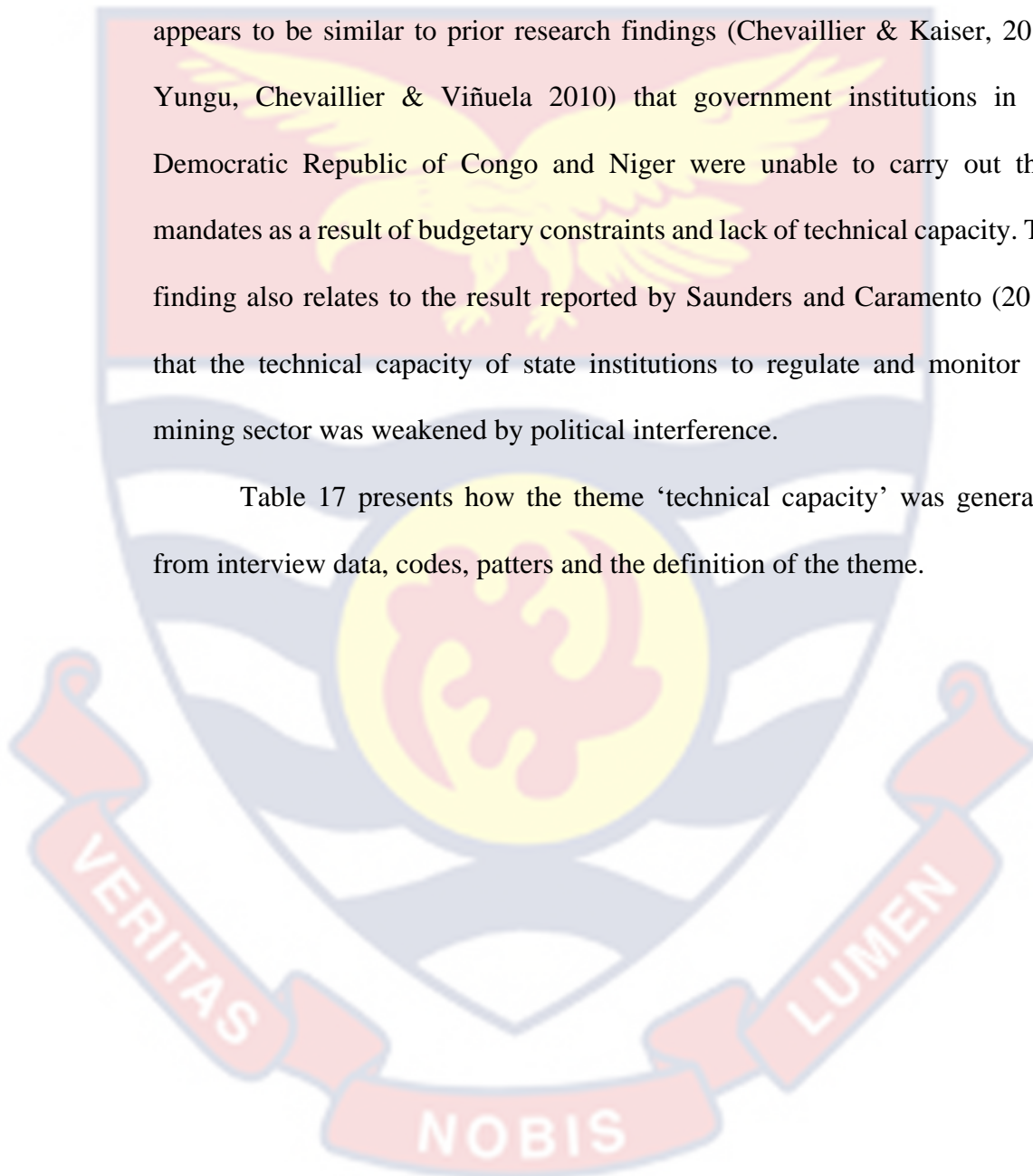
Consequently, the Agency has been unable to deploy engineers on a permanent basis at the bauxite mining site and often relies on the company to provide temporary accommodation for staff on field visits. Critical positions such as economists and gender specialists are yet to be filled and this lack of technical capacity inhibits the effective functioning of the Agency in its role to regulate the operations of mining companies. This contradicts a tenet of the agency theory as it undermines the capacity of principal to monitor the work of the agent.

Interviews with key informants from Parliament and a CSO revealed the weak technical capacity at the Ministry of Mines and Mineral Resources. They independently articulated that the government has been unable to send staff on specialised training. In addition, they also highlighted that the Policy Directorate of the Ministry is understaffed and new recruitment has been delayed for a few years due to lack of funds to attract qualified personnel. This meant that the Ministry has been relying on donor funded project staff and Overseas Development Institute (ODI) fellows who are posted for two years primarily to assist but ended up becoming an integral part of the Ministry.

National Advocacy Coalition on Extractives [NACE] (2009) report highlights the adverse impact that the lack of technical capacity is having on mineral revenue collection. The report contains analysis of the export volume of the large-scale mining operations and the royalty payment accruing to government in 2008, and the conclusion was that mining companies have been able to externalise resource rents through practices such as management fees, transfer pricing, thin capitalisation and inaccurate reporting because government institutions lack the technical capacity to undertake forensic audits.

The narratives show that there are several challenges in relation to technical capacity in the mineral sector. Established institutions have been unable to get a full complement of technical staff to carry out their mandate and also have logistical challenges in deploying staff in mining areas. This finding appears to be similar to prior research findings (Chevaillier & Kaiser, 2010; Yungu, Chevaillier & Viñuela 2010) that government institutions in the Democratic Republic of Congo and Niger were unable to carry out their mandates as a result of budgetary constraints and lack of technical capacity. The finding also relates to the result reported by Saunders and Caramento (2018) that the technical capacity of state institutions to regulate and monitor the mining sector was weakened by political interference.

Table 17 presents how the theme ‘technical capacity’ was generated from interview data, codes, patterns and the definition of the theme.



**Table 17: Overview of how Technical Capacity was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of theme
Interview, NRA Official	Weak technical capacity for regulating and monitoring the mineral sector	Capacity Efficiency Audit	Inadequate	Weak technical capacity	Weak technical capacity is the failure by the government to provide the financial support to institutions in order to attract, train and retain specialised personnel and effectively monitor operations..
Interview, NMA Official	Challenges in recruiting, training and retaining specialised personnel in government institutions.	Capacity Knowledge	Capacity	Weak technical capacity	Weak technical capacity is the failure by the government to provide the financial support to institutions in order to attract, train and retain specialised personnel and effectively monitor operations
Interview: MMR official	Inadequate resources to carry out effective monitoring of mineral operations by various mining companies	Resources	Capacity	Weak technical capacity	Weak technical capacity is the failure by the government to provide the financial support to institutions in order to attract, train and retain specialised personnel and effectively monitor operations.

### Institutional coordination

Ayuk *et al.* (2019) assert that effective institutional coordination is essential to successful stewardship of mineral resources. The translation of mineral wealth into more inclusive forms development requires coordination in the implementation of policies. Key informants from government institutions and development partners pointed out a variety of challenges that they have observed about institutional coordination which have had an adverse impact on the mineral sector.

One challenge that was mentioned relate to preparation of the Mines and Mineral Act, 2009. The key informant from the Ministry of Finance revealed that despite the fact that the MMMR invited other government institutions to deliberate on certain elements of the Act, officials from the MoF and NRA faced tremendous opposition in relation to their views on the percent to be agreed on royalties on the various minerals. The MMMR had already agreed on the royalty rates to be inserted in the Act. This signals that without effective collaboration among institutions, it is unlikely that development will be achieved. This corroborates the finding of Murombo (2016) that lack of inter-institutional coordination has had a negative effect on transparency and accountability, and hence, in translating mineral wealth into development in Zimbabwe.

The above scenario was reversed when the MoF led the preparation of the Extractive Industries Revenue Act (EIRA) 2018. A key informant from the MMMR explained that during the preparation of the EIRA, there was no adequate consultation with the MMMR and NMA. The enactment of the EIRA repealed certain clauses in the MMA, 2009, which relates to license and royalties. At the same time the EIRA was enacted, the MMMR relying on the MMA, 2009, had



cancelled a mining license and stopped the mining company from exporting minerals. However, at the time of cancellation, the Minister of Mines did not have the power to do that but was unaware about it. This lack of intergovernmental coordination was used against the government during arbitration between the government and the mining company and resulted in an out of court settlement with serious financial implication for the government.

At the local level, a key informant from the MDC also pointed out the lack of institutional coordination between the Council and the Environmental Protection Agency (EPA) in relation to the collection of environmental fee from mining companies. The key informant explained that the environmental fee is an important source of revenue for the Council. However, the EPA centralised the collection of environmental fees without adequate consultation with the Council and the impact on its budget. The key informant explained that all revenues collected by government agencies are now paid into the Consolidated Revenue Fund and that Council will have to wait until funds are transferred.

It was also revealed by key informants from separate interviews that as a result of the late disbursement of grants by government to Local Councils and the many competing demands on government, such a policy has had an adverse impact on the budget credibility of the Local Council and its ability to implement development projects. This finding shows that in line with the relationship described in the conceptual framework, without effective institutional arrangements and stakeholder participation, successful development will be unlikely.

Table 18 presents how the theme ‘institutional coordination’ was generated from interview data, codes, patterns and the definition of the theme.

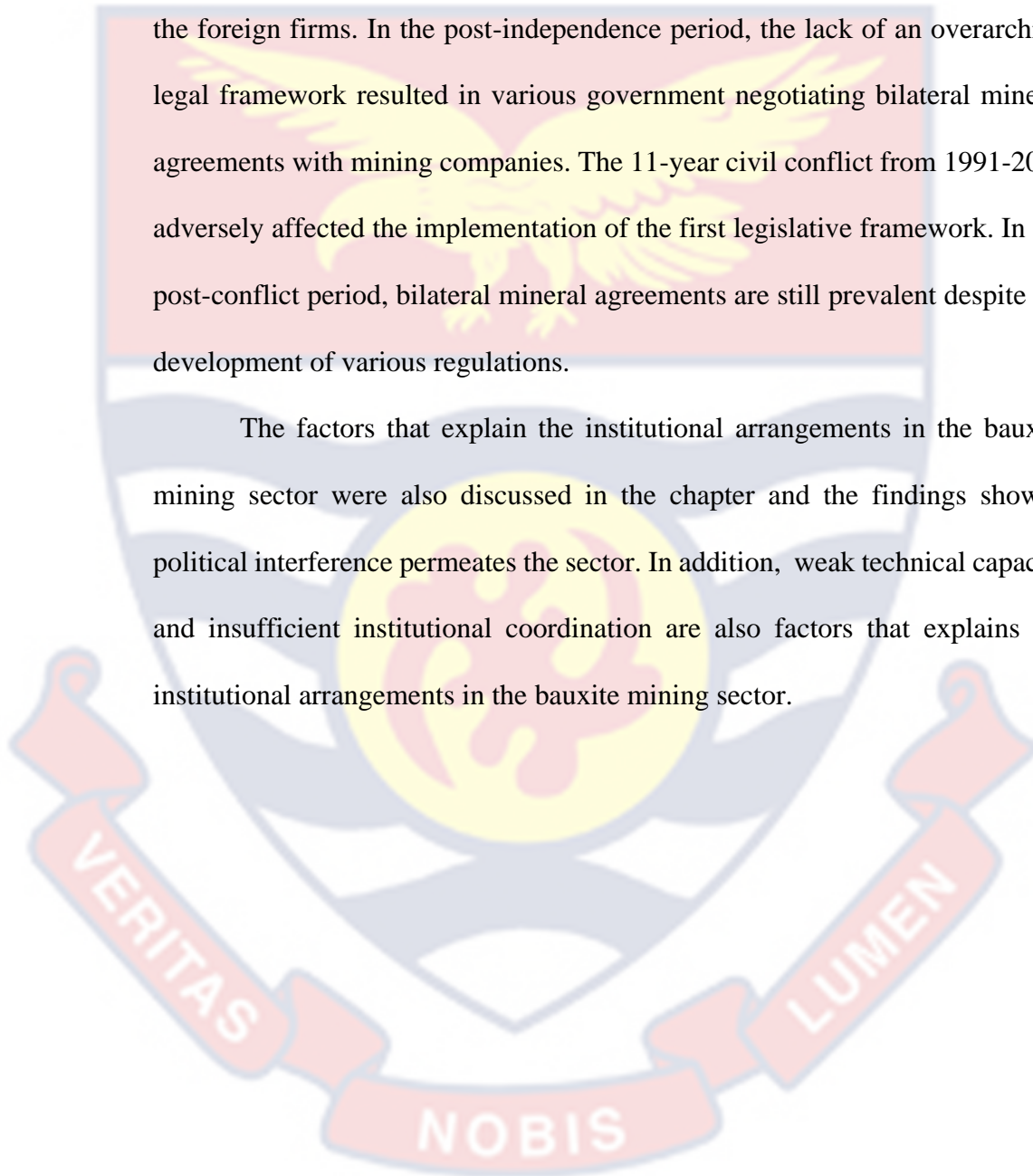
**Table 18: Overview of how Lack of Institutional Coordination was Generated**

Source	Quotes	Codes	Patterns	Themes	Meaning of theme
Interview, NMA Official	Lack of collaboration and consultation among government institutions.	Power Communication	Coordination Dysfunctional	Insufficient institutional coordination	Insufficient institutional coordination entails unclear and overlapping mandates and dysfunctionality among institutions
Interview, CSO Official	Lack of participation of other government institutions in decision making.	Coercion Control	Dictatorial	Insufficient institutional coordination	Insufficient institutional coordination entails unclear and overlapping mandates and dysfunctionality among institutions

## Chapter Summary

The chapter discussed the institutional arrangements in the bauxite mining sector by looking at the various periods in the political history of the country. Key legislations under colonial rule provided generous incentives for the foreign firms. In the post-independence period, the lack of an overarching legal framework resulted in various government negotiating bilateral mineral agreements with mining companies. The 11-year civil conflict from 1991-2002 adversely affected the implementation of the first legislative framework. In the post-conflict period, bilateral mineral agreements are still prevalent despite the development of various regulations.

The factors that explain the institutional arrangements in the bauxite mining sector were also discussed in the chapter and the findings showed political interference permeates the sector. In addition, weak technical capacity and insufficient institutional coordination are also factors that explains the institutional arrangements in the bauxite mining sector.



## CHAPTER SEVEN

### STAKEHOLDER PARTICIPATION, INSTITUTIONAL ARRANGEMENTS AND DEVELOPMENT

#### Introduction

This chapter addresses issues that relate to research objectives three and four, which focus on analysing the developments that emerged from enhanced stakeholder participation and institutional arrangements from bauxite mining. In discussing the results and their implications for development, due reference has been made to the relevant literature review and the conceptual framework that guide this study. The analysis is also based on key informant interviews and focus group discussions, and secondary sources (published and unpublished works). Responses from the management of Sierra Minerals Holding-1 Limited as well as observation data are also used for the analysis. Specifically, this chapter analyses two key issues: (a) stakeholder/institutional forum for participation at the local level; and (b) the developments from bauxite mining.

Mineral extraction offers great opportunities for economic growth and development for host countries (UNCTAD, 2007; Ndikumana & Abderrahim, 2011). Many of today's advanced countries have successfully leveraged their mineral resources for broad-based growth and development. In Sierra Leone, bauxite extraction has been an integral component of the economy and there has been extensive discussions about the impact of mining on growth and development (Reno, 1995; Cleeve, 1997; Frost, 2012). This chapter, therefore, draws on available evidence to analyse how stakeholder participation and institutional arrangements have contributed to development at local level in the host mining communities.



### Stakeholder/Institutional Forum for Participation at the Local Level

The sub-section examines the forum for participation among stakeholders and institutions in the bauxite mining sector at the local level.

There were generally three arenas for stakeholders in the bauxite mining sector.

These include public consultation as part of the Environmental and Social Impact Assessment (ESIA), the Sierra Leone Extractive Industries Transparency Initiative (EITI) and the Community Development Committee (CDC).

The Mines and Minerals Act, 2009, emphasises the need for large-scale mining companies to promote sustainable development, enhance the general welfare and the quality of life of the inhabitants in their area of operations.

Furthermore, the Act states that mining companies must also recognise and respect the rights, customs, traditions and religions of local communities. The intention was to address the complaints raised by mining communities during the truth and reconciliation process after the end of the civil conflict in 2002, that mineral extraction did not bring development to host communities (Truth & Reconciliation Commission, 2004). Specifically, Sections 138 to 141 of the

MMA, 2009, address community development issues from mineral extraction. A large-scale mining company is required to pay one percent of one percent of the gross revenue earned in the previous year to the CDC affected by its mining operations.

According to a key informant from the MMR, the origins of the Community Development Committee (CDC) for bauxite mining could be traced to several meetings held in 2016 between the Minister of Mines and Mineral Resources and local stakeholders in host mining communities. During these

meetings, stakeholders in the host mining communities asked the Minister to enforce the provision in the MMA 2009. The key informant explained that consultative meetings were held with SMHL and local stakeholders to develop a framework through which the mining company and stakeholders in the primary host communities will interact and make decisions on key development activities to be implemented. One of the recommendations from the consultative process was the formation of the CDC, comprising key stakeholders to oversee developmental initiatives in the host mining communities.

The CDC was established in 2017 as a sustainable development foundation through a Community Development Agreement (CDA) developed and signed between the mining company and local stakeholders and approved by the Minister of Mines and Mineral Resources. The CDA is in force for the duration of the mining lease agreement but is subjected to review every five calendar years. Furthermore, the agreement established a Community Development Fund and is governed by the laws of Sierra Leone.

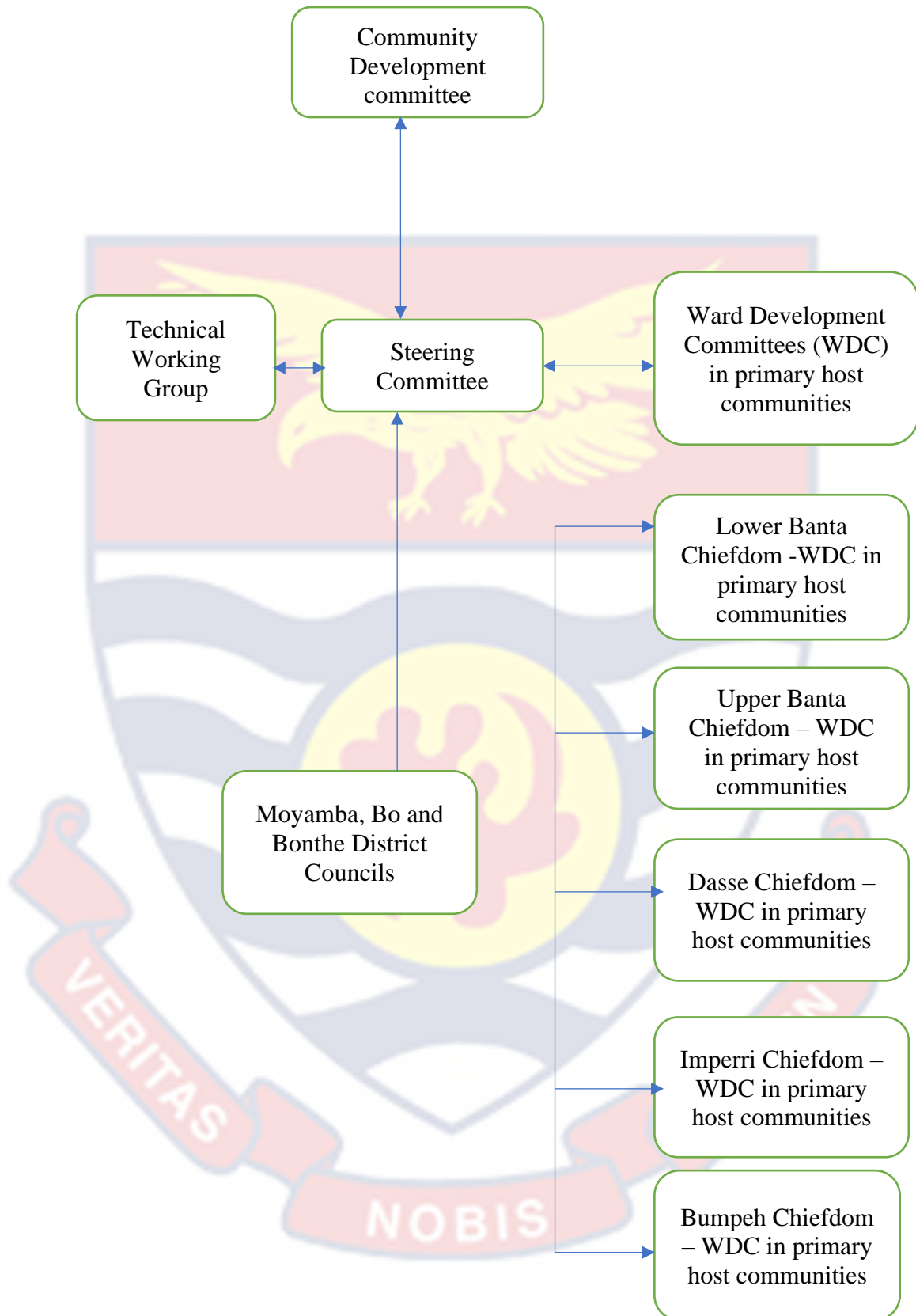
The Community Development Committee is funded by SMHL with an annual contribution of one percent of the net bauxite sales and is paid into a Community Development Fund. The CDC supports ten key areas of development namely: education, health, agriculture, infrastructure, support to business development for small and medium enterprises, special programmes for women, youths, the physically challenged and marginalised groups, environmental protection, recreational facilities, protection of cultural heritage and any other matter as may be agreed.

The CDC comprises representatives from the three districts with concessions for bauxite mining (Moyamba, Bo and Bonthe Districts. The

representatives include Local Councils of Bo, Moyamba and Bonthe, and Paramount Chiefs of the five chiefdoms under the concession areas (Community Development Agreement, 2017). Other representatives include government officials from the Ministry of Local Government and Rural Development, Parliamentarians from the concession areas, a CSO representative and local stakeholders such as landowners, youth and women's groups.

The Community Development Agreement adopts participatory mechanisms and allows local stakeholders to be an integral part of the decision making for development projects. Participation is based on needs assessment undertaken at the ward level, which gives community members control in making decisions affecting their communities. The needs assessment involves consultation with the community members at the ward level to identify and prioritise their needs in order of importance. These needs are then collated across all the wards in the primary host communities and discussed at the CDC meeting.

In utilising the annual contribution from SMHL, 10 percent of the fund is allocated for administrative purposes for the implementation of the agreement and the remaining 90 percent will be utilised exclusively for the implementation of community development projects in the primary host communities. The organised structure of the CDC is shown in Figure 10.



**Figure 10: Organisational Chart of Community Development Committee**

Source: Community Development Agreement (2017)



The CDC is the highest decision making body and it acts as the general assembly which provides policy direction. The CDC meets at such times and places as the Chairperson may determine for the dispatch of its business, but meets at least twice yearly. The CDC is responsible for mobilising resources for development of mining communities, oversees and coordinates all development activities undertaken in the mining communities. It undertakes needs assessment of the mining communities and collate them in order of priority (Community Development Agreement, 2017). In addition, the CDC collaborates with development partners for development initiatives in the mining communities; and ensures peaceful co-existence between the mineral right holder and the various communities.

The Steering Committee (SC) is a ten-member committee made up of the Chairman of the CDC, three Paramount Chiefs (one from each district), Chairmen of Bo, Bonthe and Moyamba District Councils, three chieftom youth leaders (one each from Bo, Bonthe and Moyamba Districts) and three women's leaders (one each from Bo, Bonthe and Moyamba Districts). The SC also includes representatives from the bauxite landowners' federation and CSOs, the Community Affairs Manager and the Chief Finance Officer of SMHL. The Secretary of the CDC also doubles as the Secretary to the SC (Community Development Agreement, 2017). The SC coordinates the activities of the technical working group, the Ward Development Committees in primary host communities and the Bo, Bonthe and Moyamba District Councils.

The Technical Working Group is an eight member committee made up of the Chairman of the CDC, Development Planning Officers, Environmental and Social Officers, Engineers from Bo, Bonthe and Moyamba district councils,

Infrastructural Engineer and Community Affairs Manager from SMHL and a women's leader nominated from any of the five mining chiefdoms from the concessional areas. The Ward Development Committee is responsible for developing the needs assessment of the ward and comprises every elected Councillor from the ward, Paramount Chief of the Chiefdom and not more than ten other persons, at least five of whom shall be women, resident in that ward and elected by the ward residents in a public meeting.

A key informant from a CSO indicated that the current structure of the CDC provides a platform for active participation of community members. Community members are not only informed of the resources provided to the CDC by SMHL in a public meeting but are at liberty to indicate their priority needs. A key informant from a CBO opined that this gives a sense of ownership of any development projects and in some cases community members offer their labour free of charge to ensure successful completion of a project. Focus group discussants in both Gondama and Gbonje also indicated that the high level of participation of community members provided them with the authority and responsibility to be involved in development projects.

Focus group discussants in Gondama and Gbonje were also of the view that the operationalisation of the CDC has been successful as a result of the active participation of stakeholders in decision making at the ward level. They agreed that decision making is transparent and interactive in order to ensure total inclusion in the identification and implementation of activities in support of local development. However, a key informant from a CBO raised concern about the veracity of the annual amount that has been provided by SMHL since 2017,

as government institutions lack the technical capacity to audit the financial declaration by SMHL.

### **Developments from Stakeholder Participation and Institutional Arrangements**

North (1990) and Kaufman (2011) emphasise the role of institutions in ensuring stability and providing structure in society by constraining and liberating individuals and group action. Agyenim (2011) also notes that institutions are important in promoting compliance by building trust and creating enforcement mechanisms in society. In Pearce's (1990) view, development is a holistic concept that affects every aspect of human life, while IIED (2002) adds that mineral extraction can bring development to areas that are normally regarded as unattractive by other investors. Papyrakis and Gerlagh (2004) and UNCTAD (2007) reiterate that mineral resource endowment widens economic opportunities for building both physical and social infrastructure and enhances the welfare of host nations.

This section of the study examines the developments from bauxite mining as informed by interpretation of the findings from focus group discussants, interviews with key informants and secondary data. Although two large-scale mineral (bauxite and rutile) extraction have been going on for over half a century in Moyamba District, it is paradoxical that this district had the second highest rate of poverty in the country (Statistics Sierra Leone, 2018). The developments that are discussed include: infrastructure, social and economic developments. First among the developments to be discussed is infrastructure.

## Infrastructure

The development of infrastructure is critical for fostering economic growth and improving the living standards, and contributes significantly to human development, poverty reduction, and the attainment of the Sustainable Development Goals [SDGs] (African Development Bank, 2020). Informed by primary and secondary data collected, infrastructure in this study refers to roads, multi-purpose complexes, market centres and electricity. Key informants from the MDC and CSOs cited the lack of stakeholder participatory framework in the past as the main reason for the lack of infrastructure in primary host communities.

Similar sentiments were expressed by focus group discussants in both Gondama and Gbonje. They revealed that there were no commitments made in areas such as infrastructure development in the bilateral mining agreements negotiated in the 1960s and 1970s, and communities had very little impact on any form of intervention in their communities. However, since the formation of the CDC in 2017, communities are not actively involved in decision making relating to the preparation and implementation of infrastructure projects.

Focus group discussants agreed that although bauxite mining has been going on for over 50 years in Mokanji, Gondama and Gbonje communities, these communities are still some of the most isolated and inaccessible places in the country. When bauxite extraction was at Mokanji, villages located along the route that was initially used by SIEROMCO to convey the ore to the sea port benefitted from economic activities. However, when the deposit was exhausted and the company started extracting from Gondama and Gbonje communities, the company stopped using that route and instead constructed another road.



Consequently, the former route remains in ruin due to lack of maintenance by both SIEROMCO and the government. As a result, all economic activities shifted along the new route. They pointed out that there was no discussion with the government or company about how residents of villages along the former route will be supported.

This view was corroborated during the field work. A youth leader revealed that a bridge was constructed by the mining company to facilitate transportation of bauxite concentrate to the nearby ports. This bridge also facilitated the travel of private and commercial vehicles. However, when the bauxite deposit was exhausted at that site and extraction shifted to another site, there was no routine maintenance of the bridge (Plate 1), and it subsequently deteriorated and became unsafe for travel. Thus, residents in the villages along that route had to walk long distances to access transportation. The finding also agrees with Akbar, Kinnear, Chhetri and Smith's (2018) assertion that road transport network in the Northern Bowen Basin in Australia suffered severe deterioration when mining ceased or operations moved to another location.



**Plate 1: Damaged Bridge in Mokanji**  
Photo Credit: Author (2022)

Similar opinions were expressed by key informants from the MDC and an official of the EPA. The key informant from the Moyamba District Council indicated that it is normally difficult within the district due to the poor states of the roads, and this is despite the district hosting two large-scale mining companies. The key informant added that during the raining season, some areas within the communities become inaccessible due to the absence of culverts linking communities.

Key informants from MDC felt that much more needed to be done in terms of infrastructure development by the mining company and that bauxite extraction had failed to contribute significantly to local economic development. These challenges were experienced during the field work when travelling between communities. There were several culvert constructions going on along the road from Moyamba town to the mining communities of Gbonje and Gondama (Plate 2). The key informants lamented over the length of time it takes to finish culvert work and the impact it is having on travel time. In some instances, passengers would alight on one side and take their luggage to the other side to board another commercial vehicle. This imposes significant transport cost on residents in these communities.



**Plate 2: Road Diversion Due to Culvert Construction, Taninihum**

Photo Credit: Author (2022)

The key informant from EPA revealed that during the dry season, the dirt roads used by the company's haulage trucks and commercial vehicles pose serious health and safety threats to villages along the route (Plate 3). The key informant stated that SMHL's haulage trucks and other commercial vehicles are continuously polluting these villages with dust and this has serious health implications.



**Plate 3: Constructed Feeder Road in Gondama**

Photo Credit: Author (2022)



Another important infrastructure that is lacking in primary host communities is electricity. Currently, electricity supply is only limited to the facilities of the mining company. Focus group discussants indicated that electricity is one of the most needed infrastructures and expressed their frustration at the failure of the company to provide electricity to villages close to the mine sites even though the power lines pass through some of these villages. In particular, they expressed disappointment at the failure of the SMHL in providing solar panels for schools or to light up the streets at night which can help to minimise theft that occurs at night. These infrastructure deficit in the primary host communities is an indication that both the government and the mining company have not been able to address basic needs like good roads and access to electricity.

However, over the last three years, projects have been implemented to address some of the infrastructure challenges within the host communities. The Community Development Agreement (CDA) for bauxite mining has made notable contributions to infrastructure development in the primary host communities. A key informant revealed that several infrastructure projects have been undertaken by both the MDC and the CDC in various communities. Plate 4 shows a multi-purpose complex that is serving various purposes like wedding ceremonies, meetings, seminars and conferences. It is the biggest multi-purpose complex in the Southern Province and is also a revenue generating investment for the host mining communities. Revenue generated from the multipurpose complex is deposited into the Fund under the control of the CDC.





**Plate 4: Multi-Purpose Complex in Moresenessie**

Photo Credit: Author (2022)

Another key informant from the MDC indicated that as a result of the CDA, several market centres (Plate 5) have been constructed in Gondama, Gbonje and some other communities. The key informant also revealed that as a result of the rehabilitation of feeder roads, travel time between communities has been reduced and farmers are now able to bring their produce to these markets for sale. This corroborates the findings in Gou's (2019) study that the collaboration among the mining company, local assembly and communities have had a positive impact on the implementation of development projects in the Birim North District in Ghana. The finding reflects the aspect of the conceptual framework that effective stakeholder participation and strong institutional arrangements enhance development.



**Plate 5: Market Centre in Moresenessie**

Photo Credit: Sierra Mineral Holdings 1 Limited (2021)

#### Health

According to the Medium Term National Development Plan [MTNDP] (2019-2023), a healthy population is an important factor in ensuring the advancement of the country. Sierra Leone is still lagging in most human development indicators compared to the targets set by the Sustainable Development Goals (Ministry of Health & Sanitation, 2019). Statistics Sierra Leone's (2018) report showed that Moyamba District had the second highest rate of malaria infection and the highest rates of maternal mortality and water borne diseases in the country. Focus group discussants pointed out that access to health has been a major obstacle and brought them the greatest frustration as lives have been lost to diseases such as diarrhoea and dysentery.

A key informant from SMHL outlined some of the support the company has been providing to help alleviate the health challenges in primary host communities. A number of health facilities (Plate 6) have been built with funds from SMHL for the primary host communities. Primary Health Units (PHUs)

have been constructed or rehabilitated in several towns within the host chiefdoms of Lower Banta and Upper Banta in Moyamba District. The company has also provided two ambulances that can take critically ill-patients to hospitals. Furthermore, SMHL has been providing medical equipment and supplies to three hospitals in Moyamba District. In addition, the company has sponsored training programmes for medical personnel posted to the various chiefdoms in the district.

Focus group discussants in Gondama were also of the view that health indicators are improving within their communities. The discussants mentioned the steady decline in teenage pregnancies within the primary host communities due to the support provided by SMHL. They also pointed out that in addition to the incentives given to medical personnel and the provision of medical supplies, Primary Health Units (PHUs) are now providing family planning advice to adults. In addition, the company provided a vehicle which has enabled medical staff to visit schools to educate pupils about teenage pregnancy. A traditional chief noted that in the immediate post-conflict years, girls were getting pregnant frequently but due to the support provided to the medical facilities in the primary host communities, there has been a reduction in teenage pregnancy and an increase in girls completing senior secondary education.





**Plate 6: Primary Health Unit, Baja Junction**

Photo Credit: Author (2022)

In the same vein, other key informants within the primary host communities pointed out how the resources provided through the Community Development Agreement (CDA) have impacted on infant and child mortality. A local councillor indicated that the rehabilitations and reconstructions of health facilities from funds provided by SMHL have contributed to a reduction in infant and child mortality rates in primary host communities. A local youth leader also stated that the provision of allowances, solar panels and fuel to ensure that health facilities are open on a 24-hour basis has contributed towards the reduction in maternal mortality in the last two years. The Ministry of Health and Sanitation's (2021) demographic health survey reported that there has been a reduction in the number of reported cases of malaria in PHUs due to the annual distribution of insecticide-treated nets to households in the local communities by SMHL.

It was discerned from separate interviews with other key informants in the primary host communities that there has been little support from the central and local governments in mitigating the health challenges in these communities.



The various interventions by SMHL have gone a long way in improving the health situation in the primary host communities. This state of affairs shows the reliance of primary host communities on the mining company for improvements in their health facilities and reduction in infant, child and maternal mortality.

The Parliamentary representative articulated how collaboration among various stakeholders in the CDC resulted in the construction of a 100-bed hospital (Plate 7) that will serve not only Moyamba District but also other Districts:

The main referral hospital in the Southern Province is over 100 miles away from the primary host communities and sadly we have witnessed our relatives dying because of immediate access to quality health care. As a result of engagements with all the primary host communities; it was agreed that having a first class medical facility will greatly ease the financial burden of travelling long distances. Furthermore, patients will be closer to family members and can receive emotional support. We decided that some percentage of the money paid by the mining company will go towards the construction of the hospital (Key Informant from Parliament, 24<sup>th</sup> May 2022)

The quotation above shows the benefits of utilising mineral revenue on a project that will contribute towards improving the health infrastructure in the primary host communities. Uduji, Okolo-Obasi and Asongu (2020) reported similar findings that revenue provided by mining companies towards community development has contributed positively in improving health and education infrastructure in the rural Delta Region of Nigeria. The finding supports the principle of social welfare that suggests that individuals should enjoy social and economic rights within a society (O'Neill, Woods & Webster, 2005).



**Plate 7: 100-Bed Community Hospital Under Construction, Ngolala**

Photo Credit: Sierra Mineral Holdings 1 Limited (2021)

#### Education

Given the long history of bauxite extraction, a key informant from the National Mineral Agency expressed concerns about why bauxite extraction has not improved upon the educational outcomes and reduced unemployment in the district. The key informant pointed out that most of the skilled workers at SMHL are foreign staff. This was because the company has failed to invest in building a steady supply of local skilled professionals to enter their workforce. Focus group discussants also revealed that there are resentments from community members towards the mining company due to the perceived notion that bauxite extraction should have provided employment opportunities for locals.

However, key informants from SMHL explained that bauxite extraction is highly capital-intensive and that jobs which offer high remunerations are few and require specific skills. According to a key informant from SMHL, most of the locals lack the requisite qualifications to even apply for jobs that are

advertised. However, to ensure that those with secondary school level of education are employed, SMHL has made it a policy to recruit only locals for non-technical jobs. Furthermore, the key informants revealed that SMHL has been providing 500 tertiary scholarships annually to primary host communities as a strategy to develop human capital and improve on the employment prospects for locals (Plate 8).

Key informants from a private sector firm and SMHL had differing views on the nature of the scholarships provided by SMHL. The key informant from the private sector doubted whether the scholarships provided by SMHL will improve employment opportunities for descendants of primary host communities. The key informant opined that in order to improve employment opportunities for descendants, the scholarships should target students studying engineering, economics and environmental programmes at the tertiary level. However, the key informant from SMHL argued that the company cannot provide jobs to all graduates and more importantly, there are other sectors of the economy that recruit much more than the mining company. Hence, providing tertiary scholarships will help descendants seek employment in other fields.





**Plate 8: Depicts Education Scholarships handed over by the Minister of Tertiary and Higher Education to a recipient from Gondama.**

Photo Credit: Sierra Mineral Holdings 1 Limited (2021)

A key informant from SMHL explained that as part of the company's contribution to promoting human capital development in the primary host communities, the company in consultation with mining communities has constructed/rehabilitated several schools in towns and villages in Lower Banta and Upper Banta chiefdoms (Plate 9). The key informant also noted that following a demand from the mining communities to support school attendance, SMHL provided two buses to assist in the transportation of pupils to and from school. Focus group discussants agreed that in recent years the interaction between the mining company and local stakeholders has had an impact on the provision of educational facilities. This finding is consistent with the aspect of the conceptual framework that shows the stakeholder participation is crucial for the achievement of development in mining communities.





**Plate 9: Newly Constructed School at Kangahun, Lower Banta Chiefdom**  
Photo credit: Author (2022)

Another key informant from SMHL explained that the company has been providing teaching and learning materials and also constructed staff quarters in Gbonje, which serves as an incentive to attract primary school teachers to the community (Plate 10). This support came about as a result of consultation with the local community in Gbonje. This corroborates the finding of Wilson (2015) that schools in the primary host communities in Bonthe District attracted teachers as a result of housing facilities provided by Sierra Rutile Limited. The finding falls in line with the relationship described in the conceptual framework that shows citizens' participation in decision-making is critical for the achievement of development at the local level.

**Plate 10: Constructed Staff Quarters**

Photo Credit: Sierra Minerals Holding 1 Limited (2020)

Similar sentiments were expressed by key informants from the MDC and a CSO respectively. They independently indicated that the grants from the central government and internally generated revenues are insufficient for the Moyamba District Council to implement all its development programmes, especially those relating to human capital development. As such, the involvement of SMHL in the education sector has been critical in addressing the educational challenges like low primary school completion rate in the district. The finding supports the observation of Dartey-Baah *et al.* (2016) that the support provided by mining companies has been instrumental in improving development in primary host communities in Ghana. The finding is also in line with the philosophy of social justice that advocate for people to enjoy economic

and social rights within a society (Olson, Reid, Threadgill-Gioldson, Riffe & Ryan, 2013).

### Agriculture

The structure of the economy is essentially dualistic, with a highly productive export enclave mining sector coexisting alongside a low productive semi-subsistence agricultural sector (World Bank, 2023). The agricultural sector accounts for over 50 percent of economic output and provides employment for over 60 percent of the population. According to the Food and Agriculture Organisation's (2020) report, Moyamba District has one of the highest proportion of households resorting to emergency coping strategies (31.7 %) during the recent COVID-19 outbreak despite the region's soil. Families adopting emergency coping strategies had to sell productive assets to buy food. Focus group discussants had several views on how the extraction of bauxite has had impacts on the agriculture sector in the primary host communities.

Focus group discussants revealed that food insecurity is prevalent in the district as most of the farms are left uncultivated due to the confiscation of lands for mineral extraction. They described how some farm families have had their lands expropriated for bauxite extraction but the amount received as compensation is not enough to cover for their lost incomes. They indicated that the clearing of top soil and damage to water sources as a result of bauxite extraction, reduces communities' access to water for agricultural activities (Plate 11). Women and girls, who are primarily responsible for providing labour in the agriculture sector, are forced to walk long distances to fetch water from alternative sources. In addition, the dust produced both during extraction and



transportation to the port site smothers agricultural fields and reduces soil fertility, consequently impacting on outputs.



**Plate 11: Clearing of Top Soil and Damage to Water Sources**

Photo Credit: Author (2022)

Focus group discussants also indicated that farmers are moving far away to new areas for farming since accessing the current location of their farms is dangerous and challenging. They argued that it is very dangerous for smallholder farmers to cross a particular waterway to access fertile farm fields during the rainy season and both the MDC and SMHL have failed to construct a bridge to ease this constraint. Focus group discussants explained that smallholder farmers resorted to local fund raising activities and relatives or children in the diaspora to contribute towards the construction of a bridge (Plate 12). It can be interpreted from this discussion that SMHL have the financial resources to support this vital activities for farmers but has been reluctant to provide assistance, which is inconsistent with the tenet of social welfare that



advocates for unbiased distribution of economic support in society (Jackson, 2005).



**Plate 12: Incomplete Bridge Funded from Local Contributions to Support Farmers Access Farms Across a Waterway**

Photo Credit: Author (2022)

A key informant from a CBO indicated that the CDC initiatives which have supported the agricultural sector in the primary host communities are in the form of procurement of inputs like fertilisers, seedlings, equipment like harrows, fertiliser spreaders, seeders and ploys and microfinance to various farmer-based organisations to increase acreage and reduce post-harvest losses.

The key informant opined that such support has been critical to women, who provide the bulk of the labour in the agriculture sector, as it has contributed to increase in income and provision of basic necessities at home. A key informant in Gbonje, who also heads the Agriculture Business Centre (ABC), explained that the support provided by SMHL in terms of financial support to hire machines and buy improved seedlings has contributed immensely to doubling the production area of their rice farms from 25 hectares to 50 hectares (Plate 13).



**Plate 13: Rice Field for the ABC**

Photo Credit: Author (2022)

A key informant from the MDC, the CDC has been supporting farmers by providing business development services. According to the key informant, investing in smallholder farming is integral in the fight against poverty and reducing food insecurity. The prosperity of the local communities depends on making agriculture work better, ensuring that farmers produce reach market centres and facilitating access to finance. Focus group discussants also revealed that the farmers have been benefitting from a range of business developing services such as providing training for women in income generating activities, basic management and financial skills and educating farmers on the use of agricultural inputs like fertilisers and preparation of bankable project proposals. They also indicated that these interventions have impacted positively on their agriculture output and increase in income for farm families.

A key informant from a youth group opined that youths are moving away from the agriculture sector and are more interested in either finding menial jobs at the mine site or riding motor bikes to transport people and goods within

communities. A key informant from the land owners' association averred that bauxite mining is having an adverse impact on agriculture as youths prefer to sit and wait for temporary jobs rather than working in the fields. The key informant explained that agriculture is mainly labour-intensive and cultivation needs to be completed over a certain period of time. However, as a result of scarcity of labour, land owners are unable to exploit the full potential of their farms.

#### Water and Sanitation

In order to meet the Sustainable Development Goal criteria for safely managed drinking water services, households must use an improved water source (United Nations, 2016). Poor drinking water infrastructure in rural areas imposes large cost on households in terms of time, health, money and safety. According to Statistics Sierra Leone (2017), since the end of the civil conflict in 2002, access to sanitation has lagged far behind population growth especially in rural areas. Water infrastructure in rural areas is restricted to the district headquarter towns, as such there is a reliance on boreholes and protected wells in rural areas. Household survey data show that 53.4 percent of households can access their main source of drinking water within less than 0.5 mile in Moyamba District (Statistics Sierra Leone, 2018).

Another development emanating from bauxite extraction has been on water and sanitation. In order to address the issue of safe drinking water and improved sanitation, SMHL has over the years constructed water systems like boreholes, water storage systems and landfill sites for the primary host communities. Focus group discussants agreed that there has been an improvement in water and sanitation in the primary host communities as a result



of various interventions by the mining company. They explained that schools in the Gbonje community never had access to water and this was a major health concern for parents. Respondents further explained that the availability of water within the community has positively impacted on fatalities along the main road as children no longer have to cross it to fetch water from the river.

Similar sentiments were expressed by key informants from the MDC and the Ministry of Planning and Economic Development. The key informant from MDC mentioned that intervention of SMHL in providing boreholes has impacted positively on the amount of time children use to fetch water before and after school hours and also reduced the workload on women. In addition, the construction of the landfill site has reduced the volume of garbage in the township during the raining season. The key informant from the Ministry of Health and Sanitation pinpointed to the reduced incidents of waterborne diseases in the primary host communities as a result of the water and sanitation support from SMHL (Plate 14).



**Plate 14: Bore Hole at Ngolala, Upper Banta Chiefdom**

Source: Sierra Mineral Holdings-1 Limited

It was emergent from separate interviews that the primary host communities recognize the impacts that SMHL has had on the provision of



social amenities. These acknowledgements demonstrate the developments that can be achieved from mineral extraction. The findings are consistent with the philosophy of intergenerational justice which explains that the establishment of good health systems is necessary for ensuring that the present generation live a healthy life (Thompson, 2009). The findings also reflect Littlewood's (2014) assertion that mining companies have the potential to contribute significantly to the achievement of more inclusive forms of development.

### **Exploring the Potential for Collaboration to Facilitate Development from Bauxite Mining**

A key informant from an academic institution expressed the view that stakeholder participation and institutional arrangements should play an important role in the development and implementation of development projects from bauxite mining. The key informant explained that government, SMHL and other stakeholders should explore the possibility of beneficiation of the ore. This, the key informant explained, will have both forward and backward linkages with the rest of the economy. Similar sentiments were expressed by key informants from government institutions and development partners. They intimated that government should amend the EIRA to ensure that SMHL and potential investors in bauxite mining are required to establish processing facilities for the extracted ore.

Key informants, mainly from CSOs, were of the opinion that the resource rent from bauxite mining can form the basis for development at the local level when there is inclusivity such that stakeholders have a say in how resources are used to enhance the welfare of primary host communities. The key informant opined that the resource rent captured at the central level has not made

any meaningful contribution to development as a result of the institutional arrangements at the central level. For example, it is impossible to point to any development from the royalty and fees payments from bauxite mining that have gone into the Consolidated Revenue Fund (CRF). This means that it is imperative that there should be a good fit approach in the management of mineral resources by ensuring effective stakeholder participation and institutional arrangement.

Key informants from the Chamber of Mines and a development partner opined that the governance mechanism at the local level should be reviewed to ensure that primary host communities are involved in making developmental-oriented decisions along each stage of the bauxite mining value chain. The Chamber of Mines informant said that easing information asymmetries and limiting rent-seeking behaviour will improve on audit and oversight and allow stakeholders to effectively regulate and monitor bauxite mining operations. For example, there is no mechanism for monitoring how paramount chiefs utilise the funds allocated to them and the allocation made to the Chieftom Development Fund, both of which are under his direct control and supervision. Chiefs were alleged to be using the funds to fund their expensive lifestyle at the detriment of their constituents.

When it comes to specific issues regarding how royalty and fee payments from bauxite mining are utilised by government, a key informant from a government institution noted that the institutional arrangement in place under the Public Financial Management Act, 2016, should be adhered to. This will ensure that the benefits accruing to the host communities will serve both the current and future generations. However, a key informant from a development

partner observed that the centralised top-down budgetary allocation mechanism, under the Medium Term Expenditure Framework, is not optimal for allocating resources to mining districts. Focus group discussants suggested that government should invest in institutional capacity and also ensure greater inclusive decision making through the involvement of other stakeholders like Civil Society Organisations to enhance transparency and accountability along the bauxite mining value chain.

### **Chapter Summary**

The chapter began by discussing the forum for participation in the bauxite mining sector and explained the formation of the Community Development Committee. The CDC comprised of various stakeholders from the primary host communities who oversee the implementation of development projects within various committees. The developments from bauxite mining at local level were also discussed. Since the formation of the CDC, development projects in infrastructure, health, education and agriculture have been implemented with the active participation of the host communities. The mining company has also been providing support to primary host communities, especially in the agriculture sector. Finally, the chapter discussed the potential for collaboration to facilitate development from bauxite mining.

## CHAPTER EIGHT

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter presents a summary of the research processes and major findings based on the research objectives of the study. This chapter also presents the conclusions drawn from these findings. It presents the recommendations based on the findings and conclusions. Lastly, the chapter describes the contribution of the study to knowledge, the limitations of the study and suggestions for further research.

#### Summary

In this study, I considered stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone. Specifically, I examined the dynamics of stakeholder participation in the bauxite mining sector; explored the institutional arrangement in the bauxite mining sector. I also analysed how stakeholder participation and institutional arrangement in the bauxite mining sector contributes to development. Lastly, I explored the potential for collaboration of stakeholder participation and institutional arrangements to facilitate development from bauxite mining. The resource curse theory, the institutional theory, the stakeholder theory and the agency theory guided the interpretation of the results.

I adopted a qualitative research approach for the study while the case study design directed the study. The study population comprised officials of central and local government institutions, development partners, CSOs, private sector firms, academic traditional authorities, youth groups, farmers' association, women's group and landowners who were purposively selected to



participate in the study. Purposive sampling technique was used to sample 66 key informants from the study population. In selecting the key informants, emphasis was placed on their ability to provide the necessary information to guide the study. Data collection instruments were mainly interview guides, focus group discussion guides, documentary review guides and non-participant observation checklists. Sixty-six interviews and four focus group discussions were also carried out. Ethical standards were adhered to throughout the study.

Thematic analysis was the main tool used in analysing the data. Information collected from the interviews and focus group discussions were transcribed from audios to readable formats. This involved selecting the key interviews and focus group discussants extracts, which were labelled with codes based on patterns. These then made up themes related to the research questions. Furthermore, exact quotes from the key informants and focus group discussants were incorporated in answering or discussing the findings. Based on the analysis and discussion of the results, the key findings based on the objectives were thus presented.

The first objective dealt with the dynamics of stakeholder participation in the bauxite mining sector. The highlights are presented as follows:

1. The study revealed that, in the award of contracts and licenses phase, the stakeholders in the bauxite mining sector with high interest and high influence are MMMR, MoF, NRA, SMHL, NMA and Parliament. The study also revealed that even though other institutions like the EPA, MWR, PHCs, MDC and MAF have interest in this phase, their influence is very low. Failure to incorporate technical knowledge from other

institutions such as the EPA and MAF can have adverse consequences on the mining communities over the lifetime of the mining project.

2. With regards to regulation and monitoring of operations, the stakeholders in the bauxite mining sector with high interest and high influence are MMMR, EPA, NMA, SMHL CSOs and Parliament. The stakeholders with high interest and low influence include the NRA, MDC, MAF and PHCs. The low influence of PHCs is an example of tokenism participation of other stakeholders and as such decisions made are not reflective of other stakeholders like local communities.
3. In relation to the collection of taxes and royalties, the stakeholders with high interest and high influence are the MoF, MMMR, NRA, NMA, SMHL and SLEITI. The stakeholders with high interest and low influence are Parliament, MDC, EPA and PHCs. Key informants from the MDC were of the view that the low influence of other key stakeholders the Bank of Sierra Leone and Parliament in this critical phase has contributed to the failure to establishment of key institutional arrangements like the Transformational Distribution Development Fund and the Inter-Generational Savings Fund.
4. The stakeholders with high interest and high influence in management and distribution of bauxite revenue are the MoF, CDC and MDC. Having only the Ministry of Finance at the central level in control of managing and distributing bauxite revenue is not optimum and does not give other stakeholders any power in decision-making.
5. The stakeholders with high influence and high interest in the implementation of sustainable development policies are MoF and

MoPED at the central level and CDC and SMHL at the local level. There is a disconnection between mineral revenue collected at the central level and developments at the local level due to the non-participation of other stakeholders in the preparation and implementation of development projects from mineral revenue.

6. Political interference along the bauxite mining value chain is a major hindrance to stakeholder participation. Executive dominance has made it difficult for government institutions to effectively execute their mandates and for other stakeholders to be involved in decision-making processes. The study found that executive dominance has been a permanent feature in formulation of policies and the negotiation of bilateral agreements. During the formulation of the MMA, 2009, the executive through the Minister of Mines forced through the acceptance of royalties despite some stakeholders requesting for an upward revision.
7. CSOs and primary host communities face pervasive information asymmetries in accessing information crucial for holding the government and mining company accountable in relation to how revenue from bauxite extraction is allocated. These stakeholders are unable to authenticate the total sales of SMHL, and hence cannot determine if the funds paid for community development are a reflection of the one percent of gross revenue as prescribed in the Mines and Minerals Act, 2009.
8. The participation of local stakeholders in key decision making was negligible in the pre-war period as the mining company gave little

consideration in interacting with local stakeholders because it has been able to command support from the government due to its economic might.

The second objective focused on exploring the institutional arrangement in the bauxite mining sector. In this respect, the focal findings are as follows:

1. At independence in 1961, the existing institutional arrangements were formulated to benefit the foreign mining companies. These companies continued to enjoy exclusive rights to explore and extract the country's mineral wealth. In the case of bauxite mining, SIEROMCO enjoyed generous fiscal concessions such as selling to the parent company at below market price. In addition, no forward or backward linkages have been established with the rest of the economy.
2. The second wave of institutional arrangements was characterised by the failure of governments to establish and strengthen key institutions to manage and regulate the sector. There was no established institution responsible for the collection of bauxite mineral revenue. Furthermore, there was no institution responsible for monitoring the environmental impact of bauxite mining operation between 1961 and 1994.
3. The third wave of institutional arrangements focused on establishing institutions and regulations to manage and regulate the mineral sector. However, there are challenges in ensuring their functionality to bring about the expected benefits from mineral extraction. Key informants were of the view that the Mines and Minerals Act, 2009, gave the Minister of Mines too much authority in the approval of licenses and



award of contracts. They cited the lack of consultation with other government institutions and CSOs.

4. Political interference is still pervasive in the mineral sector and negates the role of institutions. The institutions of government regulating and managing the mineral sector are emblematic of elite capture. A position of deputy Director General was created at the NMA due to political pressure even though the position was not in the NMA Act, 2012.
5. The Transformational Development Stabilisation Fund (TDSF) and the Inter-Generational Savings Fund (IGSF) have not been established even though it is in the PFM Act, 2016. These funds are meant to invest mineral revenue in development projects and wealth funds.
6. The lack of technical capacity has enabled mining companies to externalise resource rents through practices such as management fees, transfer pricing, thin capitalisation and inaccurate reporting to institutions of government. The Extractive Industries Revenue Unit in the NRA lacks the capacity to undertake forensic audit of the financial statements of mining companies as the staff have not had any training to prepare them for such a task.

For objectives three and four which focused on analysing the developments that emerged from collaboration of stakeholder participation and institutional arrangements from bauxite mining, the following are worthy to note:

1. The establishment of the Community Development Committee (CDC) comprising representatives from the WDC, landowners, CSOs, LCs, Paramount Chiefs, youth leaders, women's leaders and officials from

SMHL has improved stakeholder participation in decision making at the local level. The CDC is responsible for mobilising resources for development of mining communities, oversees and coordinates all development activities undertaken in the mining communities.

2. Stakeholders are able to meet and decide on which particular development project to undertake based on the availability of funds. The decision to build the 100-bed hospital was a unanimous one among the stakeholders in the CDC.
3. The Community Development Agreement (CDA) for bauxite mining has made important contributions to infrastructure development in the primary host communities. The construction of the multi-purpose complex, staff quarters and markets was made possible as a result of funds provided through the CDA.
4. There has been investments in human capital development through the provision of tertiary scholarships to qualified descendants in primary host communities. University entrants from descendants in the primary host communities have increased in recent years as the mining company provides 500 scholarships annually covering tuitions fees and lodgings.
5. The needs assessment approach has provided a framework for consultation and has empowered local communities in identifying and prioritising their needs.
6. Funds from the CDC has been utilised to provide business development services to farmers. In addition, support has also been provided in the form of agriculture equipment like seeders, spreaders, harrows and tractors for farmers.

7. There is a challenge in the agriculture sector in the primary host communities due to the movement of the youth from agriculture to the mining site. The opportunity of gaining employment, and hence, better wages at the mines, even if temporary, is moving youths from agriculture to the mining sector.
8. The current governance framework for distributing surface rent allows the Paramount Chief, in each chieftdom, to take 30 percent of the total amount. At the moment, 15 percent is given to the Paramount Chief and another 15 percent to the Chieftdom Development Fund, which is under the control of the Paramount Chief. This meant that the current framework for distributing the surface rent allows the Paramount Chief in each of the five chieftdoms to take 30 percent of the total amount. There are no policies in place to monitor how these funds are utilised and thus, issues of non-accountability and opaqueness.
9. SMHL is still exporting the bauxite ore concentrate without any beneficiation to add value and increase the sales value.

### **Conclusions**

The conclusions of the study are based on the specific objectives of the study, namely: the dynamics of stakeholder participation in the bauxite mining sector; the institutional arrangements in the bauxite mining sector; how stakeholder participation and institutional arrangements in the bauxite mining sector contribute to development; and the potential for collaboration of stakeholders to facilitate development in the bauxite mining sector.

With respect to the dynamics of stakeholder participation in the bauxite mining sector, the evidence is that the main stakeholders with high interest and

high influence are MoF, MMMR, NMA, NRA and SMHL. The level of participation of other stakeholders may be described as non-participatory or at best tokenism. Political influence in decision-making permeates the bauxite mining sector. This is manifested through executive dominance in the formulation of policies, negotiation of bilateral mineral agreements and appointment of political appointees to fill key technical positions in the mineral sector on the basis of political loyalty rather than on merit. There is pervasive information asymmetry that is preventing CSOs and primary host communities from the government and the mining company accountable in relation to the utilisation of mineral revenue and verification of sales value of bauxite exports.

Political interference, weak technical capacity and insufficient institutional coordination were the factors that constrain institutional arrangements along the bauxite mining value chain. Concerning the effective functioning of institutions, it emerged that government institutions regulating and managing the bauxite mining sector were emblematic of elite capture and led to lack of investment in technical capacity. This is compounded by ineffective institutional coordination. Together, these factors enabled mining companies to externalise resource rent through practices such as management fees, transfer pricing, thin capitalisation and inaccurate reporting to government institutions.

The Government has also not established the TDSF and IGSF in accordance with the PFM Act 2016, to finance transformational projects. There are huge capacity constraints in government institutions responsible for managing and regulating the mining sector. As such, these institutions are



unable to undertake forensic audit of financial statements of mining companies and investigates issues of thin capitalisation and transfer pricing.

The establishment of the Community Development Committee had improved the governance framework and has contributed to translating proceeds from bauxite extraction to successful development interventions. The CDC comprise key stakeholders from the three districts (Moyamba, Bo and Bonthe) with concessions for bauxite mining and is responsible for mobilising resources and overseeing development of mining communities. The needs assessment is the main platform where local communities identify and prioritise their needs. The CDC has constructed a multi-purpose complex, schools and markets. A 100-bed hospital is under construction which will help improve the health architecture within the primary host communities.

### **Recommendations**

Based on the key findings and conclusions drawn from this study, the following are recommendations submitted to the relevant stakeholders.

At the central Government level, the study proposed that:

1. Government should ensure stakeholders at the local level in the bauxite mining sector are able to participate effectively in decision-making in the bauxite mining sector. Stakeholders at the local level should be provided with information of policies in ways that people can understand and also ensure their voices are heard. In this way, they would be more knowledgeable to be involved in issues and this will build consensus and buy-in, and result in the acceptance of policy.
2. Government institutions should improve coordination in the monitoring of mineral operations to avoid overlapping institutional mandates. This

will ensure effective regulation of the bauxite mining sector on key issues like health and environmental concerns in the local communities. Once government institutions are aware of their respective roles, each institution can be held accountable for its operations and will also contribute towards institutional collaboration.

3. The Ministry of Finance should collaborate with other stakeholders like the Bank of Sierra Leone, NRA, NMA, MDC and CSOs to develop a policy to govern the distribution and utilisation of bauxite mining surface rents in order to ensure equitable distribution to the various stakeholders. This way, landowners will be guaranteed of fair payments and this can improve their living conditions and adequately compensate for the loss of their lands. In addition, Paramount Chiefs and the MDC will be held accountable for funds disbursed to them.
4. The Ministry of Finance, the National Mineral Agency and the National Revenue Authority should improve the capacity of staff on tax issues to enable the effective monitoring and regulation of the bauxite mining sector.
5. Parliament should enforce the implementation of the provisions in the PFM Act 2016 relating to the establishment of a Transformational Development Stabilisation Fund and Inter-Generational Savings Fund by mandating the Ministry of Finance to open an account at the Bank of Sierra Leone. This will ensure mining revenues will be separated from non-mining revenues and funds can then be used to implement transformational development projects in accordance with the PFM Act 2016.

6. As a top priority, the Ministry of Finance and the Ministry of Mines and Mineral Resources should stop the negotiation of bilateral agreements with mining companies and allow for the application of provisions in enacted legislations. This way, mining companies will stop making a case for generous fiscal concessions. The application of legislative provisions governing the mineral sector will reduce executive control in mineral agreement negotiations and also enable the government to optimise resource rent from bauxite mining operations.
7. The Ministry of Finance and the Ministry of Mines and Mineral Resources should review the distribution formula for surface rent to ensure equitable distribution to landowners.
8. The Ministry of Finance and the Ministry of Mines and Mineral Resources should establish governance mechanism in relation to how the percent of surface rent allocated to the Paramount Chiefs, the Chiefdom Development Fund and the District Councils is utilised and accounted for.

***At the local level, Bo, Bonthe and Moyamba District Councils should:***

1. Improve on the current needs assessment approach by adopting participatory planning methods that will help primary host communities to identify their socio-economic and development challenges.

***Civil Society Organisations are encouraged to:***

1. Improve their advocacy on the issue of executive dominance in the mining sector and engage Parliament stop the approval of mineral agreements through the creation of a transparency and accountability committee on mining. This will ensure effective allocation of mining

revenue and provide a level playing field for all investors and more importantly, discourage the discretionary allocation of mining contracts.

2. Advocate for the establishment of a monitoring mechanism for projects implemented through funds from community development fund and surface rent allocation to Paramount Chiefs and District Councils. This will promote transparency and accountability and allow for the effective tracking of expenditure on development projects.
3. Put pressure on government to establish the Transformational Development Stabilisation Fund and the Inter-Generational Savings Fund. This will ensure mining revenue is ring-fenced and used to targeted interventions.

***Community Development Committee should:***

1. Increase investment in capital equipment to support production in the agriculture sector in primary host communities. This way, youths can get involved in agriculture and women will spend less time on farm activities. This can transform the lives of households, increase income and reduce poverty.

***Sierra Minerals Holding-1 Limited should:***

1. Improve forward and backward linkages with other sectors of the economy. This can be done through investments in downstream beneficiation of bauxite, through to conversion to aluminum smelting and the production of finished goods, in order to increase value addition. This has the potential to create employment opportunities, increase income and reduce poverty in a district with the second highest poverty rate in the country.



### Contribution to Knowledge

Stakeholder participation, institutional arrangements and development is a reflection of the evolution of governance in the bauxite mining sector. Thus, it is important to understand the participatory process in decision-making among stakeholders and the policies, systems and structures used by government and the mining company in achieving their objectives. Thus, it is important to know the extent of how stakeholder participation and institutional arrangements in the bauxite mining sector have impacted on development at the local level. This way, policy makers will have a deeper understanding of the extent of how bauxite extraction has contributed to development at the local level. This study contributes to knowledge by providing information for improving stakeholder participation in decision-making in the bauxite mining communities of Gondama and Gbonje.

The study has also produced a conceptual framework that show how stakeholder participation and institutional arrangements can contribute to development. The framework provides can be used by other researchers to investigate incentives among stakeholders in the mining sector in decision-making and to understand the multidimensional nature of mining's social, economic, environmental and other impacts at the local level.

Finally, previous studies about the mineral sector in Sierra Leone tend to utilise interviews and documentary reviews as data collection methods to explain stakeholder participation and development. However, these studies did not employ observation as part of their analytical procedures. This study, thus, included observation as part of the data collection method as it provided evidence that shows development in the local communities.

### Limitations of the Study

The study adopted a case study approach, using only one mining company even though there are two large-scale mining companies in Moyamba District and the perception of respondents on stakeholder participation and institutional arrangements. It is also important to state that there might be other social, economic and environmental issues that currently do not appear in the findings of this study

In academic research, there are challenges relating to the choice of methodology and quality of data. On methodology, the study did not use mixed methods to get perceptions of households on developments. Some aspects of this study relied on narratives that explained issues that happened a long time ago. This was an unavoidable situation as there were no other sources to get information relating to stakeholder participation along the bauxite mining value chain in the decades after independence. However, the use of such narratives raises issues about their validity. Even though efforts were made to triangulate some of these narratives, there could still be an exaggeration of the storylines. Furthermore, the study did not use secondary data for development indicators. Secondary data would have been useful in providing evidence of the impact of mineral revenue on human capital development. It is, therefore, important for one to be careful in the generalisation of the findings to other large-scale mining operations.

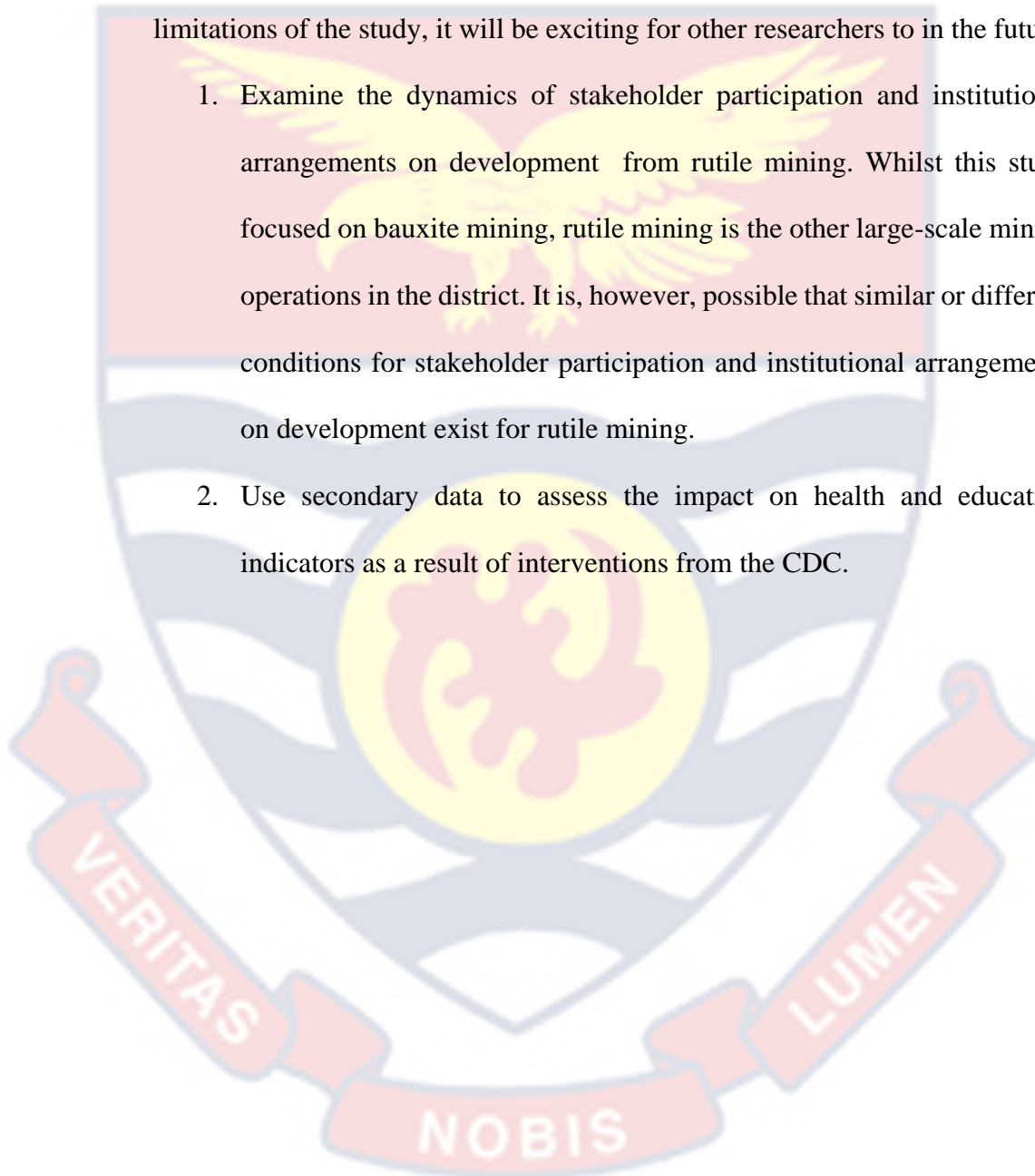
In respect of data analysis, this study is deficient in terms of establishing a direct connection between bauxite exports and royalties, its utilisation and impact on developmental. However, the establishment of a direct connection between bauxite exports and royalties and its utilisation is key to grasping the

nexus in understanding how mineral endowment can be translated in sustainable development.

### Suggestions for Further Research

In the light of the findings, conclusions, recommendations, and limitations of the study, it will be exciting for other researchers to in the future:

1. Examine the dynamics of stakeholder participation and institutional arrangements on development from rutile mining. Whilst this study focused on bauxite mining, rutile mining is the other large-scale mining operations in the district. It is, however, possible that similar or different conditions for stakeholder participation and institutional arrangements on development exist for rutile mining.
2. Use secondary data to assess the impact on health and education indicators as a result of interventions from the CDC.



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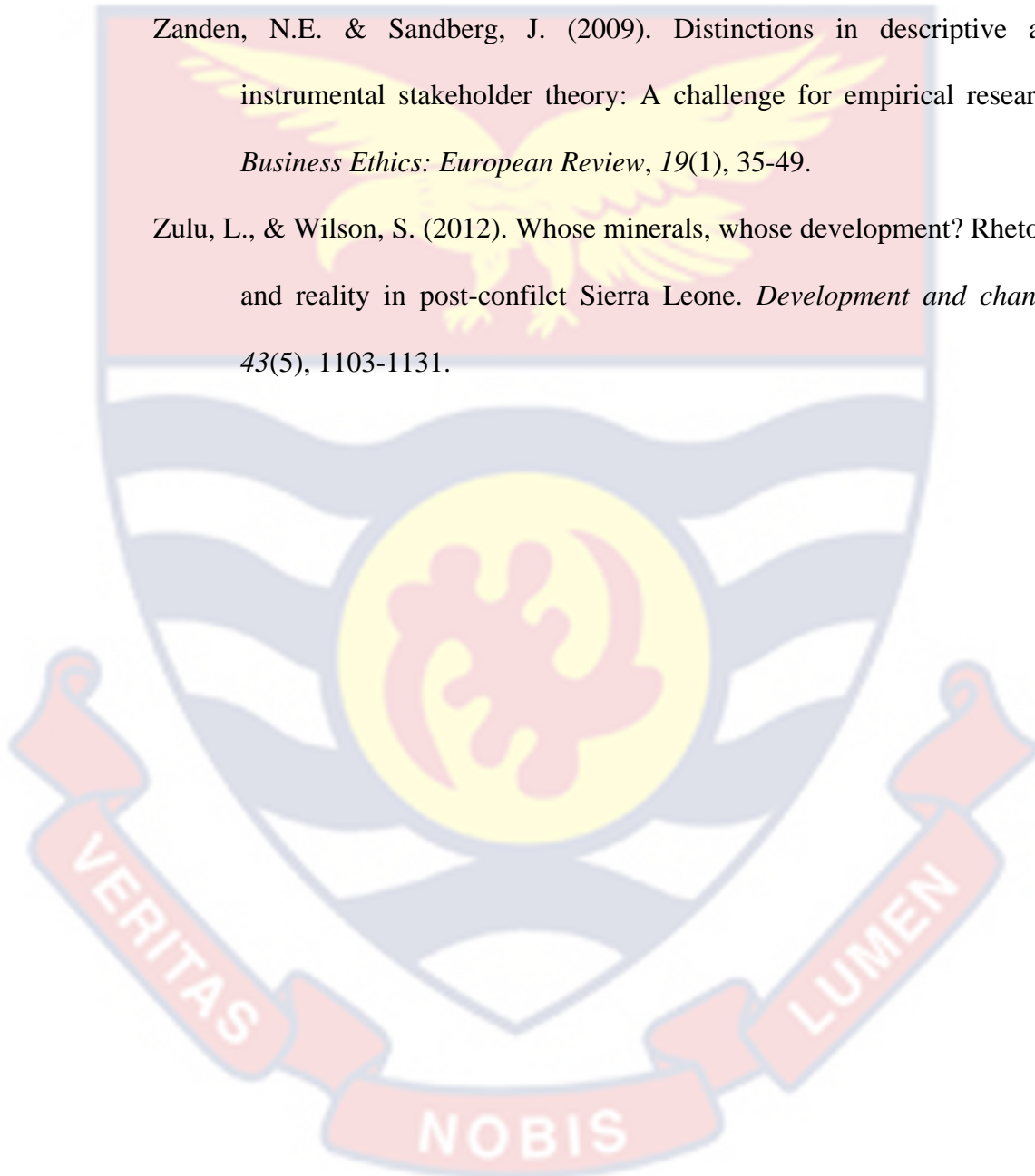
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## APPENDICES

### APPENDIX A: INTERVIEW GUIDE FOR LOCAL STAKEHOLDERS

(Traditional Rulers/elders, councilors, youth leaders, women leaders & landowners)

My name is Franklin Sisabu Bendu and a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone*. As a key stakeholder in the community, I shall be grateful if you respond to this interview so that you can share with me your experiences and opinions about the participation of local stakeholders along the bauxite mining value chain, the level of coordination between local stakeholders and government institutions and the development from bauxite mining. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfilment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about local stakeholder participation along the bauxite mining value chain.

**Section A: Dynamics of stakeholder participation**

1. What factors do you think influence local stakeholder participation along the bauxite mining value change? Please explain
2. How do you assess the capacity of local stakeholders to participate in the above activities? Please explain
3. What roles can local stakeholders be given to improve participation along the bauxite mining value chain?
4. How should local stakeholders be supported to be able to effectively enhance participation? Please explain
5. What are the challenges faced by local stakeholders along the bauxite mining value chain? Please explain
6. What roles can local stakeholders be given to improve participation along the bauxite mining value chain?
7. Are all relevant local stakeholders able to participate in discussions along the bauxite mining value chain? Please explain
8. What is the level of coordination among local stakeholders? Please explain
9. Is there a forum for interaction among local stakeholders? Please explain
10. What is the level of coordination between local stakeholders and other stakeholders along the bauxite mining value chain?

*Probe for coordination with civil society organisations*

*Probe for coordination with donors*

*Probe for coordination with government institutions*

*Probe for coordination with mining company*

11. Do you think local stakeholders have been able to effectively participate in activities along the bauxite mining value chain?

*Probe involvement in sector organization and award of contract*

*Probe involvement in regulation and monitoring of operations*

*Probe involvement about the level of tax and non-taxes paid*

*Probe involvement in mineral revenue distribution and management*

*Probe involvement in formulating and implementing development projects*

**Section B: Factors that explain the institutional arrangements in the bauxite mining sector**

12. What is the outline of the institutional arrangements along the bauxite mining value chain. Please explain for each institution.

*In relation to sector organization and award of contract*

*In relation to regulation and monitoring of operations*

*In relation to collection of taxes and royalties*

*In relation to revenue distribution and management*

*In relation to the development of sound and sustainable policies*

13. What is your assessment of the institutional arrangement along the bauxite mining value chain? Please explain.



14. Do government institutions have the capacity to manage and regulate the bauxite sector?
15. Are there overlapping institutional mandates among government institutions? Please explain.
16. How do you assess the current human resource capacity of government institutions involved along the bauxite mining value chain? Please explain
17. What do you think are the constraints faced by government institutions along the bauxite mining value chain?

**Section C: Effects of stakeholder participation and institutional arrangements on development**

18. What role(s) do local stakeholders play in the preparation and execution of development projects?
19. Are government institutions managing and regulating bauxite mining involved in the preparation and execution of development projects?
20. What are the developments from bauxite mining in your community?
21. What are the effects of stakeholder participation on developments from bauxite mining?

*Probe for impact on infrastructure projects*

*Probe for impact on ancillary services*

*Probe for impact on power supply*

*Probe for impact on human capital development*

*Probe for impact on the provision of clean drinking water*

22. What are the effects of bauxite value chain related institutional arrangements on development in your local community?

*Probe for impact on infrastructure projects*

*Probe for impact on ancillary services*

*Probe for impact on power supply*

*Probe for impact on human capital development*

*Probe for impact on the provision of clean drinking water*

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development**

23. How can you compare the participation of local stakeholders along the bauxite mining in the past and the current level of participation?

*Probe for involvement in the exploration and development phase*

*Probe for involvement in the negotiation of mineral agreements*

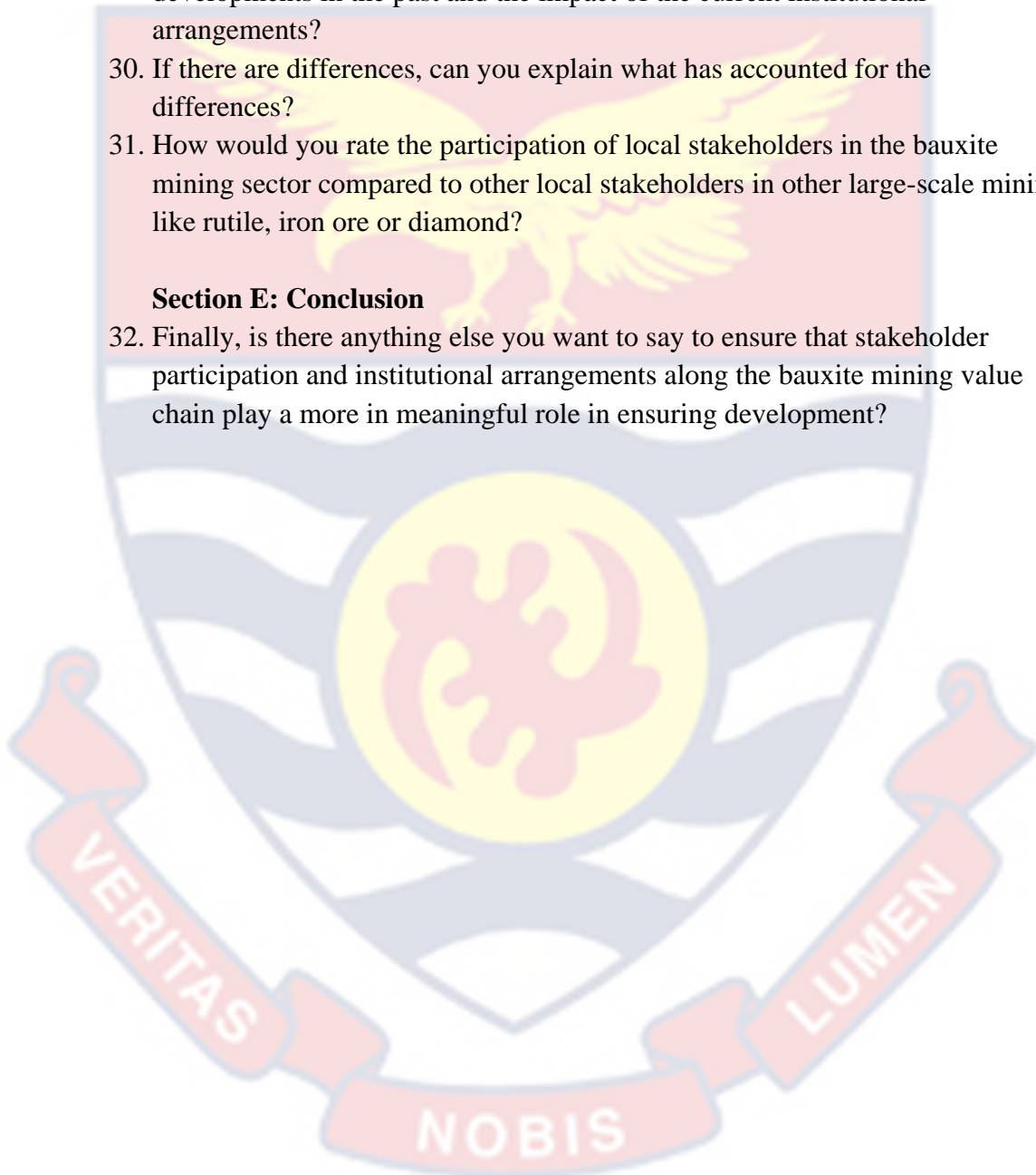
*Probe for participation in the preparation and execution of development projects*

24. What roles can local stakeholder play to enhance participation along the bauxite mining value chain?
25. What were the institutional arrangements in the bauxite mining sector in the past? Please explain/describe the institutional arrangements
26. What are the current institutional arrangements in the bauxite mining sector? Explain/describe

27. How would you compare the impact of institutional arrangements on developments in the past and the impact of the current institutional arrangements?
28. If there are differences, can you explain what has accounted for the differences?
29. How would you compare the impact of stakeholder interaction on developments in the past and the impact of the current institutional arrangements?
30. If there are differences, can you explain what has accounted for the differences?
31. How would you rate the participation of local stakeholders in the bauxite mining sector compared to other local stakeholders in other large-scale mining like rutile, iron ore or diamond?

#### **Section E: Conclusion**

32. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?



**APPENDIX B: INTERVIEW GUIDE FOR OFFICIALS OF MINISTRY  
OF MINES AND MINERAL RESOURCES AND NATIONAL  
MINERAL AGENCY**

My name is Franklin Sisabu Bendu and a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone.* As an agency of government involved in the mineral sector, I shall be grateful if you respond to this interview so that you can share with me your institution's experiences in relation participation along the bauxite mining value chain, its role in the bauxite mining sector and how it supports the achievement of development. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast. I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about your institution's interaction with the mining company along the bauxite mining value chain.

**Section A: Dynamics of stakeholder participation**

1. Who are the stakeholders your institution interacts with along the bauxite mining value chain?

*Probe about interaction in the exploration phase*

*Probe for interaction in the development phase*

*Probe for interaction in the production phase*

*Probe for interaction in the collection and distribution of bauxite mineral revenue*

*Prove about involvement in preparing and implementing development projects*

2. What are the challenges faced by your institution in participating with other stakeholders along the bauxite mining value chain? Please explain.
3. To what extent does the participation of your institution improve stakeholder participation along the bauxite mining value chain?
4. What has your institution done to improve participation along the bauxite mining value chain?
5. What is the level of coordination between your institution and other stakeholders on bauxite mining operations?

*Prove for coordination with civil society organisations/community-based organisations*

*Probe for coordination with donors*

*Probe for coordination with media*

*Probe for coordination with local stakeholders*

*Probe for coordination with the private sector/academia*

*Probe for coordination with other government institutions*

6. Have you noticed any changes in relation to stakeholder participation along the bauxite mining value chain in the post-conflict period? Please explain



**Section B: Mapping the institutional arrangements in the bauxite mining sector**

7. What is the role of your institution along the bauxite mining value chain?  
*Probe about involvement in sector organization and award of contract*  
*Probe about involvement in regulation and monitoring of operations*  
*Probe about involvement in the negotiation of mineral agreement*  
*Probe about involvement in mineral revenue distribution and management*  
*Probe about involvement in preparing and implementing development projects*
8. Are there overlapping institutional mandates between your institution and other government institutions?
9. What is the level of coordination between your institution and other government institutions?
10. What is the level of coordination between your institution and the mining company? Please explain  
*Probe in terms of output monitoring*  
*Probe in terms of payment of mineral revenue*
11. How do you assess the current human resource capacity of your institution to monitor and regulate the bauxite mining sector?
12. How do you assess the current human resource capacity of other government institutions involved in the bauxite mining sector? Please explain
13. What do you think are the constraints faced by government institutions in managing and regulating the bauxite sector?
14. What institutional challenges does your institution face in the discharge of its mandate?
15. What is your assessment of the current institutional arrangements along the bauxite mining value chain?

**Section C: Effects of stakeholder participation and institutional arrangements on development**

16. Has stakeholder participation improved development from bauxite mining?  
Please explain
17. Has institutional arrangement improved development from bauxite mining?  
Please explain

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development**

18. How will you compare the current impact of stakeholder participation on development in the bauxite sector to the past?

*Probe in terms of level of consultations*

*Probe in terms of interaction with mining company*

*Probe in terms of involvement of CSOs/CBOs*

*Probe in terms of local stakeholders' involvement*

19. To what extent has stakeholder participation impacted on development?

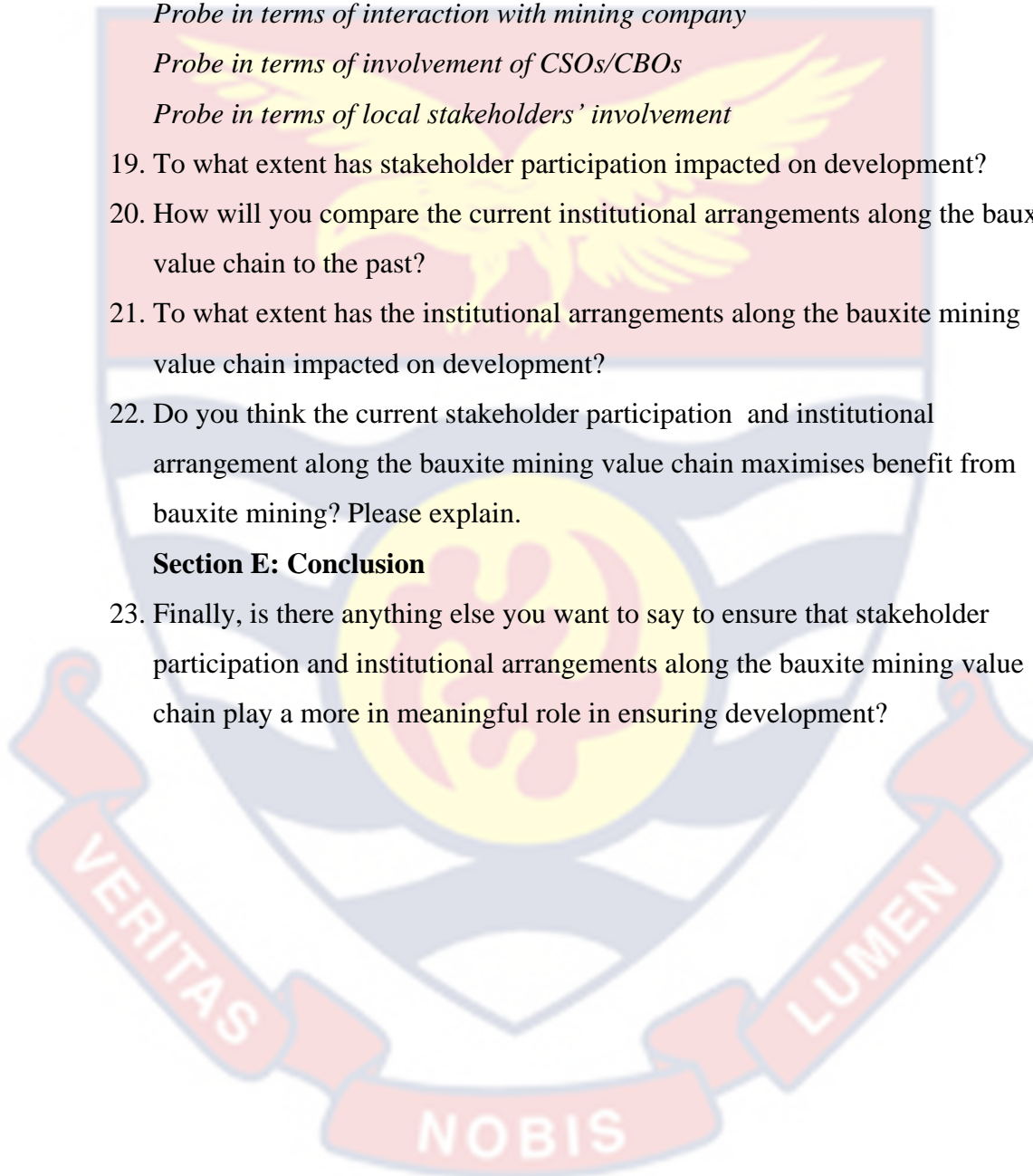
20. How will you compare the current institutional arrangements along the bauxite value chain to the past?

21. To what extent has the institutional arrangements along the bauxite mining value chain impacted on development?

22. Do you think the current stakeholder participation and institutional arrangement along the bauxite mining value chain maximises benefit from bauxite mining? Please explain.

**Section E: Conclusion**

23. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?



**APPENDIX C: INTERVIEW GUIDE FOR OFFICIALS OF MINISTRY  
OF FINANCE AND NATIONAL REVENUE AUTHORITY**

Franklin Sisabu Bendu is my name. I am a Ph.D. student at the University of Cape Coast. My research focuses on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone*. As an agency of government involved in the mineral sector, I shall be grateful if you respond to this interview so that you can share with me your institution's experiences in relation participation along the bauxite mining value chain, the role of your institution and how it supports the achievement of development. The data you will provide will contribute to the production of a Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about overlapping institutional mandates among government institutions regulating and managing the mineral sector.

**Section A: Dynamics of stakeholder participation**

1. Who are the stakeholders your institution interacts with along the bauxite mining value chain?

*Probe about interaction in the exploration phase*

*Probe for interaction in the development phase*

*Probe for interaction in the production phase*

*Probe for interaction in the collection and distribution of bauxite mineral revenue*

*Prove about involvement in preparing and implementing development projects*

2. What factors influence stakeholder participation along the bauxite mining value chain?
3. What are the challenges faced by your institution in participating with other stakeholders along the bauxite mining value chain? Please explain.
4. To what extent does the participation of your institution improve stakeholder participation along the bauxite mining value chain?
5. How can stakeholder participation be improved along the bauxite mining value chain?
6. What is the level of coordination between your institution and other stakeholders on bauxite mining operations?

*Prove for coordination with civil society organisations/community-based organisations*

*Probe for coordination with donors*

*Probe for coordination with media*

*Probe for coordination with local stakeholders*

*Probe for coordination with the private sector/academia*



*Probe for coordination with local stakeholders*

7. Have you noticed any changes in relation to stakeholder participation along the bauxite mining value chain? Please explain.

**Section B: : Mapping the institutional arrangements in the bauxite mining sector**

8. What is the role of your institution within the institutional arrangements along the bauxite mining value chain? Please explain

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

9. Are there overlapping institutional mandates between your institution and other government institutions?
10. What is the level of coordination between your institution and other government institutions along the bauxite mining value chain?
11. What is the level of coordination between your institution and the mining company? Please explain
12. How do you assess the current human resource capacity of your institution in relation to managing and regulating the bauxite mining sector? Please explain.
13. How do you assess the current human resource capacity of other government institutions involved in the bauxite mining sector? Please explain.
14. What do you think are the constraints faced by government institutions with remit in the bauxite sector?
15. What institutional challenges does your institution face in the discharge of its mandate?
16. What is your assessment of the current institutional arrangements along the bauxite mining value chain?

**Section C: Effects of stakeholder participation and institutional arrangement on development**

17. Has stakeholder participation improved development from bauxite mining?

Please explain

18. Has institutional arrangement improved development from bauxite mining?

Please explain

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development**

19. To what extent has stakeholder participation facilitated the achievement of development? Please explain

20. To what extent has institutional arrangements facilitated the achievement of development? Please explain

21. How will you compare the processes of stakeholder participation in the bauxite sector in the past and the current architecture for participation?

*Probe in terms of level of consultations*

*Probe in terms of interaction with mining company*

*Probe in terms of involvement of CSOs/CBOs*

*Probe in terms of local stakeholders' involvement*

22. Do you know some of the activities undertaken by stakeholders to improve participation and development outcome along the bauxite mining value chain?

23. Do you think the current stakeholder participation institutional arrangement along the bauxite mining value chain maximises benefit from bauxite mining?

Please explain.

**Section E: Conclusion**

24. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?

**APPENDIX D: INTERVIEW GUIDE FOR OFFICIALS OF OTHER  
GOVERNMENT INSTITUTIONS IN THE BAUXITE MINING  
SECTOR**

Franklin Sisabu Bendu is my name. I am a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone*. As an agency of government involved in the bauxite mining sector, I shall be grateful if you respond to this interview so that you can share your institution's experiences in relation participation along the bauxite mining value chain, the role of your institution and how it supports the achievement of development. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about the level of coordination among government institutions along the bauxite mining value chain.

**Section A: Dynamics of stakeholder participation**

1. To what extent has your institution been participating in activities along the bauxite mining value chain? Please explain.

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

2. What are the challenges faced by your institution in participating with other stakeholders along the bauxite mining value chain? Please explain.
3. Do you think the participation of your institution improve stakeholder participation along the bauxite mining value chain?
4. What is the level of coordination between your institution and other stakeholders on bauxite mining operations?

*Probe for coordination with civil society organisations/community-based organisations*

*Probe for coordination with donors*

*Probe for coordination with other government institutions*

*Probe for coordination with local stakeholders*

*Probe for coordination with the private sector/academia*

5. Have you noticed any changes in relation to stakeholder participation along the bauxite mining value chain? Please explain

### **Section B: : Factors that explain institutional arrangements in the bauxite mining sector**

6. What is the role of your institution within the institutional arrangement along the bauxite mining value chain? Please explain

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

7. Are there overlapping institutional mandates among government institutions?
8. How do you assess the current human resource capacity of other government institutions involved in the bauxite mining sector? Please explain



9. What institutional challenges does your institution face in the discharge of its mandate in relation to bauxite mining?
10. What is your assessment about the current institutional arrangements along the bauxite mining value chain?

**Section C: Effects of stakeholder participation and institutional arrangements on development**

11. How is your institution involved in the achievements of development from bauxite mining?
12. Has stakeholder participation improved development from bauxite mining?  
Please explain
13. Have the institutional arrangements improved development from bauxite mining? Please explain

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development s**

14. To what extent has stakeholder participation facilitated the achievement of development? Please explain
15. To what extent has institutional arrangement facilitated the achievement of development? Please explain
16. How will you compare the processes of stakeholder participation in the bauxite sector in the past and the current architecture for participation?  
*Probe in terms of level of consultations*  
*Probe in terms of interaction with mining company*  
*Probe in terms of involvement of CSOs/CBOs*  
*Probe in terms of local stakeholders' involvement*
17. Do you think the current stakeholder participation institutional arrangement along the bauxite mining value chain maximises benefit from bauxite mining?  
Please explain

**Section E: Conclusion**

18. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?

## APPENDIX E: INTERVIEW GUIDE FOR OFFICIALS OF CIVIL SOCIETY ORGANISATIONS

My name is Franklin Sisabu Bendu. I am a Ph.D. student at the University of Cape Coast. My research project focuses on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone.* As an advocacy agency involved in the mineral sector, I shall be grateful if you respond to this interview so that you can share with me your institution's experiences in relation participation along the bauxite mining value chain, government institutional arrangements and the role of stakeholders in facilitating development. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about the level of coordination with government institutions along the bauxite mining value chain.

### **Section A: Dynamics of stakeholder participation**

1. To what extent has your institution been participating in activities along the bauxite mining value chain? Please explain.

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

2. What do you think about the participation of other stakeholders along the bauxite mining value chain?
3. What are the challenges faced by your institution in participating with other stakeholders along the bauxite mining value chain?
4. Has your advocacy improved stakeholder participation along the bauxite mining value chain?
5. What is the level of coordination between your institution and other stakeholders along the bauxite mining value chain?

*Probe for coordination with donors*

*Probe for coordination with local community*

*Probe for coordination with government institutions*

*Probe for coordination with mining company*

### **Section B: Mapping the institutional arrangements in the bauxite mining sector**

6. What is your assessment about the current institutional arrangements along the bauxite mining value chain?
  - Probe for the granting of licenses*
  - Probe for involvement in the exploration phase*
  - Probe for the production phase*
  - Probe for formulation of fiscal regime*
  - Probe for revenue management*
  - Probe for distribution of surface rent*
7. Has your advocacy improved the institutional arrangements along the bauxite mining value chain?
8. What will you suggest should be done to enhance the current institutional arrangement along the bauxite mining value chain?
9. Do you think there are overlapping institutional mandates among government institutions along the bauxite mining value chain?
10. What is the level of coordination between your institution and other government institutions along the bauxite mining value chain? Please explain.

11. What is the level of coordination between your institution and the mining company? Please explain.
12. What challenges does your institution face in coordinating with other government institutions along the bauxite mining value chain? Please explain.
13. How do you assess the current human resource capacity of government institutions involved in the bauxite mining sector? Please explain

**Section C: Effects of stakeholder participation and institutional arrangement on development**

14. Has stakeholder participation improved development from bauxite mining? Please explain.
15. Has institutional arrangement improved development from bauxite mining? Please explain.

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development o**

16. What are some of the activities your institution engages in to facilitate development? Please explain
17. How will you compare the current stakeholder participation in facilitating development from bauxite mining to the past? Please explain.
18. If there are differences, can you explain what has accounted for the differences?
19. How will you compare the current institutional arrangements in facilitating development from bauxite mining to the past? Please explain.
20. If there are differences, can you explain what has accounted for the differences?

**Section E: Conclusion**

21. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?



**APPENDIX F: INTERVIEW GUIDE FOR THE PRIVATE SECTOR  
AND ACADEMIA**

**Dear Sir/Madam,**

My name is Franklin Sisabu Bendu and a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone*. As a participant in the private sector/academia with involvement in the mineral sector, I shall be grateful if you respond to this interview so that you share with me your institution's experiences in relation participation along the bauxite mining value chain, government institutional arrangements and the role of stakeholders in facilitating development. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about your assessment about the institutional arrangements along the bauxite mining value chain.

**Section A: Dynamics of stakeholder participation**

1. To what extent has your institution been participating in activities along the bauxite mining value chain?

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

2. What do you think about the participation of other stakeholders along the bauxite mining value chain? Please explain.
3. What is your assessment about the participation of other stakeholders along the bauxite mining value chain? Please explain

**Section B: Mapping the institutional arrangements in the bauxite mining sector**

4. What is your assessment about the current institutional arrangements along the bauxite mining value chain?

*Probe about involvement in sector organization and award of contract*

*Probe about involvement in regulation and monitoring of operations*

*Probe about involvement about the level of tax and non-taxes paid*

*Probe about involvement in mineral revenue distribution and management*

*Prove about involvement in formulating and implementing development projects*

5. What will you suggest should be done to improve the current institutional arrangement along the bauxite mining value chain?
6. Are there overlapping institutional mandates among government institutions?
7. How do you assess the current human resource capacity of government institutions involved in the bauxite mining sector? Please explain
8. What do you think are the constraints faced by government institutions with remit in the bauxite sector?

**Section C: Effects of stakeholder participation and institutional arrangements on development**

9. Has stakeholder participation improved development from bauxite mining?

Please explain

10. Has institutional arrangement improved development from bauxite mining?

Please explain

11. Do you think the stakeholder participation and the current institutional arrangements maximises benefit from bauxite mining?

**Section D: Emerging patterns of stakeholder participation and institutional arrangements**

12. How will you compare the current stakeholder participation in facilitating development from bauxite mining to the past? Please explain.

13. If there are differences, can you explain what has accounted for the differences?

14. How will you compare the current institutional arrangements in facilitating development from bauxite mining to the past? Please explain.

15. If there are differences, can you explain what has accounted for the differences?

**Section E: Conclusion**

16. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?

## APPENDIX G: INTERVIEW GUIDE FOR OFFICIALS OF THE MINING COMPANY

My name is Franklin Sisabu Bendu and a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone*. As the mining company extracting bauxite, I shall be grateful if you respond to this interview so that you can share with me your institution's experiences in relation to the institutional arrangements along the bauxite mining value chain, challenges in interacting with other stakeholders and impact of development. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree by the University of Cape Coast.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project.

Let me begin by asking you some questions about how your institution work with the local community in achieving development.

### **Section A: Dynamics of stakeholder participation**

1. Please describe the participation process with other stakeholders along the bauxite mining value chain.

*In sector organization and award of contract*

*In regulation and monitoring of operations*

*Collection and management of tax and non-tax revenue*

*In mineral revenue distribution and management*

*In formulating and implementing development projects*



2. What is the level of coordination between your institution and other stakeholders on bauxite mining operations?  
*Prove for coordination with civil society organisations/community-based organisations*  
*Probe for coordination with donors*  
*Probe for coordination with media*  
*Probe for coordination with local stakeholders*  
*Probe for coordination with the private sector/academia*  
*Probe for coordination with other government institutions*
3. How do you assess your interaction with other stakeholders?
4. How do you assess the capacity of local stakeholders along the bauxite mining value chain? Please explain
5. What are the challenges faced by the mining company in interacting with stakeholders along the bauxite mining value chain?
6. Have you noticed any changes in relation to stakeholder participation along the bauxite mining value chain since the resumption of operations in 2006? Please explain

**Section B: Mapping the institutional arrangements in the bauxite mining sector**

7. Outline the government institutions your mining company interacts with along the bauxite mining value chain.
8. What is the level of coordination with each of them?
9. What is your assessment about the current institutional arrangement along the bauxite mining value chain? Please explain.
10. Are there overlapping institutional mandates among government institutions along the bauxite mining value chain?
11. What challenges does the mining company face in working with government institutions? Please explain.
12. How do you assess the current human resource capacity of other government institutions involved in the bauxite mining sector? Please explain.
13. What do you think are the constraints faced by government institutions with remit in the bauxite sector? Please explain.

**Section C: Effects of stakeholder participation and institutional arrangements on development**

14. Indicate the developments from bauxite mining operations?
15. Has stakeholder participation improved development from bauxite mining?  
Please explain
16. Has institutional arrangement improved development from bauxite mining?  
Please explain

**Section D: Emerging patterns of stakeholder participation and institutional arrangements in facilitating development**

17. How will you compare the current stakeholder participation in facilitating developments from bauxite mining to the past? Please explain.
18. If there are differences, can you explain what has accounted for the differences?
19. How will you compare the current institutional arrangements in facilitating development from bauxite mining to the past? Please explain.
20. If there are differences, can you explain what has accounted for the differences?

**Section E: Conclusion**

21. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?

## APPENDIX H: FOCUS GROUP DISCUSSION [DG] GUIDE FOR COMMUNITY LEVEL DISCUSSIONS

My name is Franklin Sisabu Bendu and a Ph.D. student at the University of Cape Coast. I am undertaking my Ph.D. research on the topic: *Stakeholder participation, institutional arrangements and development in the bauxite mining sector in Sierra Leone.* As residents in this community, I shall be grateful if you respond to this interview so that you can share with me your experiences and opinions about the subject matter of the research. I will be asking questions about your experiences in relation to stakeholder participation in the bauxite mining sector, the development from bauxite mining and the role of government institutions along the bauxite mining value chain. The data you will provide will contribute to the production of the Ph.D. thesis in partial fulfillment of the requirements for the award of a doctoral degree.

I assure you that your name or identity will not be mentioned in any part of the report. In addition, the information obtained from you will be used only for its proposed purpose. Your voluntary participation is incalculable and as such, you may decline to answer any question that you wish to, and you can withdraw from the interview at any time you so desire. The interview should take about 1 hour. Are you willing to respond to some questions at this time? Thank you for accepting to be part of this research project. Let me begin by asking you some questions about your participation along the bauxite mining value chain.

**Section A: Dynamics of stakeholder participation**

1. Indicate the stakeholders you interact with along the bauxite mining value chain.

Stages of the value chain

Stakeholders

Sector organization and award of contract

Regulation and monitoring of operations

Collection of taxes and royalties

Revenue distribution and management

Development of sound and sustainable policies

2. Have you noticed any change in stakeholder participation along the bauxite mining value chain?
3. What are the specific activities you have participated in along the bauxite mining value chain? Please explain
4. What are your views about how the mining company interacts with other stakeholders along the bauxite mining value chain? Please explain

**Section B: Factors that explain institutional arrangements**

5. What is your view about the institutional arrangement along the bauxite mining value chain?
6. What is your assessment about the capacity of government institutions to regulate and manage bauxite operations?

**Section C: Effects of stakeholder participation and institutional arrangements on development**

7. What have been the main development emanating from stakeholder participation and institutional arrangement along the bauxite mining value chain?

*Probe in terms of employment*

*Probe in terms of infrastructure*

*Probe in terms of social services*

**Section D: Emerging patterns of stakeholder participation and institutional arrangements**

8. What is your view about the current legal framework and its impact on stakeholder participation and institutional arrangement in the bauxite mining sector?
9. Please indicate and explain the barriers that affect stakeholder participation along the bauxite mining value chain?
10. What is your view about the governance framework along the bauxite mining value chain?

**Section E: Conclusion**

11. Finally, is there anything else you want to say to ensure that stakeholder participation and institutional arrangements along the bauxite mining value chain play a more in meaningful role in ensuring development?



### APPENDIX I: OBSERVATION CHECKLIST

During the data collection, the researcher and assistant will observe and pay attention to the developments from bauxite mining within the local communities.

1. Things you observe as the things that indicate developments
2. Market and public infrastructure constructed
3. School facilities constructed
4. Health and water facilities constructed
5. Feeder road rehabilitated
6. Energy facilities
7. Land under cultivate for rice production

